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SLAVERY IN EARLY TEXAS. I.

THE history of slavery in Texas, so far as it is of interest to us, began with the year 1821, when Moses Austin received permission to plant an Anglo-American colony on the banks of the Colorado and the Brazos. There may have been a few negroes in the little towns of Bexar and La Bahia at that time, but the number must have been insignificant and limited wholly to personal servants in the families of the well-to-do.[1] The coming of the energetic pioneers from the United States and the development of the rich bottom lands of Texas marked the beginning of a new era, not only in the history of Mexico, but in that of America; and the question of slavery in this wilderness, at that time seemingly of interest only to a few thousand farmers, was soon to engage the attention and determine the policy of the great neighboring nation.

Under the Spanish rule in Mexico negro slavery was tolerated and protected. The conditions, however, were so unfavorable that the institution never obtained a secure foothold, and was almost unknown outside of Vera Cruz and the hot lands. Even in the most favorable localities and after the introduction of cane growing, the slaves formed no considerable element in the population of the country. As late as 1793, according to Humboldt, there were not more than nine or ten thousand in

[1] In a total population of 3005, December 31, 1792, there were 34 negroes and 415 mulattoes; no mention is made of slaves. — Census of Texas, Texas Archives, No. 345

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all New Spain.[1] H. G. Ward, the British agent in Mexico in 1825–27, believed that the number did not exceed six thousand in 1793, and that it continued to decrease till 1827. So many were manumitted, and so many received their freedom during the long struggle for independence by joining the ranks of the patriot army, that Ward thought he was "justified in stating that there is now hardly a single slave in the central portion of the republic."[2] Not one could be found in the valley of Cuernavaca, or even in the Orizaba and Cordova regions, which are the great sugar and coffee districts of Mexico.[3] About fifteen years later, Waddy Thompson, the representative of the United States government, did not see half a dozen negroes during his entire residence of two years in the Mexican capital.[4]

The petition of Moses Austin for permission to settle an Anglo-American colony in Texas was officially granted in January, 1821. No mention was made of slavery in either the petition or the grant. It was the intention of Austin, however, to draw most of his colonists from the southern United States; and there can be but little doubt that he would have favored the removal of slaves to Texas as part of the capital of his planters. But it was not for him to lead the migration for which he had prepared the way. The long journey to San Antonio de Bexar, with its hardships and exposure, resulted in his death,[5] and the work of carrying forward the colonization of Texas fell to his son.

Stephen Fuller Austin, then a young man of twenty-eight, at once made an exploring tour through Texas, was recognized as heir to his father's grant, and received the governor's approval of the plan which he had drawn up for the distribution of lands.[6] This plan, after making provision for the head of the family and allowing a liberal portion for the wife and each

[1] Humboldt, Ensayo politico sobre la Nueva España, I, 252.
[2] Ward, Mexico in 1827, I, 27.
[3] *Ibid.*, p. 29.
[4] Thompson, Recollections of Mexico, p. 5.
[5] He died in Missouri, June 10, 1821.
[6] H. H. Bancroft, North Mexican States and Texas, II, 60.

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child, further provided for a grant of eighty acres of land for each slave belonging to the family.[1] In approving this plan, the government of Mexico, through its representative in Texas, acquiesced in and substantially encouraged the introduction of slaves into the new settlement.[2] A great many immigrants found their way into Texas before the summer of 1822, most of them bearing contracts signed by Austin or his agents, in which they were promised land in accordance with the plan already mentioned. They were nearly all from the southern portion of the United States, and many of them were the owners of at least a small number of slaves. Thus it was that the institution was introduced into Texas.

But difficulties arose: for some reason the governor of Texas declined to put the settlers in possession of the promised lands, and Austin felt that the situation demanded his presence in the City of Mexico, where Congress was in session. Apparently it is not generally understood how momentous were the consequences of that journey. He remained in Mexico for more than a year; he made himself familiar with the language and the life of the people; he became intimate with many of the leaders of the Mexican nation; and he inspired the government with a confidence in his character and purpose that greatly facilitated the growth of the infant settlement in the wilderness of Texas.

[1] Form of contract, in Austin Papers (collection of Hon. Guy M. Bryan, Quintana, Texas), C 5; also contract with David Marple, Austin Papers, A 14. Not an acre of land was ever distributed according to this plan. The colonization law, which was passed soon afterwards, offered far more liberal terms.

[2] The governor of Texas was acting as an official of the revolutionary and independent government of Mexico when he approved Austin's plan for the distribution of lands. It is incorrectly stated by H. H. Bancroft (North Mexican States and Texas, II, 62) and John Henry Brown (History of Texas, I, 94, note) that the news of the success of the revolution in Mexico did not reach San Antonio de Bexar till after Austin's departure from that place. Austin's journal, however, under date of August 12, 1821, a few hours before arriving at San Antonio, has the following record: "This morning at daylight three men who had been dispatched from the Gaᵉ [Guadaloupe] by Erasmo to St. Aº returned with others and brought the Glorious news of the Independence of Mexico. The Spaniards hailed this news with acclamations of 'Viva Independencia,' and every other demonstration of joy." The Plan of Iguala had been proclaimed February 24, 1821; and the treaty of Cordova was signed August 24 of the same year.

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Austin arrived at the Mexican capital in April, 1822 — a little more than a year after the proclamation of the Plan of Iguala and about two months after the assembling of the first Congress. He witnessed in rapid succession the elevation of Iturbide to the imperial throne, the dissolution of Congress, the fall of the Emperor and the establishment of the provisional republican government. All this time he was urging, in memorial after memorial, the confirmation of the grant made to his father by the Spanish government. But his was not the only application before Congress for leave to bring settlers to Mexico;[1] and to meet this demand for lands that body very early occupied itself with framing a general colonization law. The wheels of government, however, move slowly in Mexico, and particularly was this true during that year of exciting change. Austin believed that the law would never have been passed, had he not been present and constantly urging the matter upon the attention of the lawmakers.[2]

The question of slavery presented the greatest obstacle to the passage of the law. Austin believed that at least temporary toleration of slavery was necessary to the success of his colony. It was the slaveholding population of Missouri, Louisiana, Tennessee, Kentucky, Arkansas, and Mississippi that had shown the greatest interest in his settlement, and it was from the slave states of the American Union that he expected future support in his enterprise. On the other hand, the Mexican people were at that time passing through a period of fervent advocacy of liberty. Had they not just been freed from Spain? Should they not extend this great boon, liberty, to all people within the authority of their laws? Then, too, — and this was more important than all their theories of liberty and natural equality, — it was merely an abstract question with them, for they had few slaves to lose by a general emancipation.

[1] Benjamin Mailan and three companions, Jacob Ferrier and Christopher Nagel are mentioned in the journals of the Congress. Edwards, Leftwich, DeWitt, Wilkinson and others are mentioned by various authorities.

[2] Austin to Governor Trespalacios, January 8, 1823. — Austin Papers, unclassified.

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It was the opinion of some members of Congress that slavery should be made the subject of a separate law, in which other phases of the matter, as well as its relation to the colonization of the provinces, could be considered in detail;[1] but it was of the highest importance to the interests of Austin that the matter should be settled at once. A colonization law, however liberal its terms might be in other respects, would be almost a dead letter so far as he was concerned until Congress announced its policy as to slavery.

Three colonization bills were offered in Congress. One was silent on the subject of slavery except as to cities, declaring that foreigners might be allowed the privilege of founding cities only on the condition of adopting the Spanish language and freeing their slaves.[2] Another declared outright for immediate emancipation.[3] But the bill reported by the committee on colonization contained a clause to the effect that slaves introduced into the Empire by colonists should remain so for life, and their children born in the Empire should gain their freedom at the age of fourteen. During the debate on this subject, no member announced himself as inclined to make any greater concession to slavery.

After considerable delay, Congress finally reached the colonization bill, August 20, 1822. During the general discussion of the measure very little was said about slavery, and no objection was raised on the floor to the disposition of the matter made by the committee. The bill, however, proved unsatisfactory; and, after a discussion of only two of its thirty-one articles, it was recommitted with certain instructions, none of which concerned slavery.[4] No further progress was made in the matter. The attention of Congress soon became wholly absorbed in the approaching struggle with the Emperor; and the crisis was reached on October 30, 1822, when Iturbide drove the members out of doors at the point of the bayonet.

Austin was a close observer of these events, and, as they progressed, lost all hope of obtaining even as favorable a law as

[1] Actas del Congreso Constituyente Mexicano, III, 57.
[2] *Ibid.*, pp. 32, 33. [3] *Ibid.*, p. 52. [4] *Ibid.*, pp. 15–88.

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the committee on colonization had reported. He very probably regarded the dispersion of Congress as a stroke of good fortune; at all events, he was most emphatic a little later in his belief that no law permitting the introduction of slaves could possibly have been passed through Congress.[1] Immediately after the dispersion of Congress, the Emperor organized a Junta of thirty-five members, which succeeded to the legislative powers of the former body. Its members were at once besieged by the indefatigable Austin. On November 14, the same bill which had been reported to Congress was taken up by the Junta. The article relative to slavery was reached on the 26th and provoked some discussion. All were anxious to secure total abolition as soon as possible, but all were inclined to pay due regard to the rights which masters had acquired under existing laws. Señor Parras alone presented the subject from the point of view of the colonists. He explained that there would necessarily be a great scarcity of labor in the new settlements; and said that the committee had been assured that colonists would be unwilling to remove to the Mexican provinces, unless some provision was made for protecting them in the ownership of their slaves. He thought that sufficient safeguards were thrown around the privilege extended to the colonists, in the prohibition of the slave trade and in the emancipation of all children of slaves, born in the Empire, at the age of fourteen.[2] The article was finally passed in the following form:

> There shall not be permitted, after the promulgation of this law, either purchase or sale of slaves that may be introduced into the empire. The children of such slaves, who are born within the empire, shall be free at fourteen years of age.[3]

The passage of the colonization bill, and particularly of the article relating to slavery, was probably due to the tact and

[1] "Nunca hubiera pasado ningun artículo permetiendo esclavitud en el Imperio por un momento de ningun modo cualquiera, por el Congreso." — Austin to Governor Trespalacios, January 8, 1823. Austin Papers, unclassified.

[2] Diario de las sesiones de la Soberana Junta, pp. 65, 66.

[3] "No podrá hacerse, despues de la promulgacion de esta ley, venta ni compra de los esclavos que sean conducidos al imperio. Los hijos de éstos que nazcan en él, serán libres á los catorce años de edad." — *Ibid.*, p. 66.

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energy of Austin. In his letter of January 8, 1823, to Governor Trespalacios, he said :

> I talked to every member of the Junta upon the necessity which existed in Texas, Santander and all the other uninhabited provinces, that the new colonists should be permitted to bring their slaves, and in this manner I procured the article.[1]

This is a quiet way of saying that the clause referred to was probably carried through the Junta by Austin's persistent lobbying.

There must have been considerable opposition in the committee to this concession to slavery. Four days before the article came up for discussion by the Junta, Austin wrote to Josiah H. Bell as follows:

> As the law now is, all slaves are to be free in ten years, but I am trying to have it amended so as to make them slaves for life and their children free at twenty-one years, — but do not think I shall succeed in this point, and that the law will pass as it now is, that is, that the slaves introduced by the settlers shall be free after ten years. As regards all other matters there will be no difficulty.[2]

As there had been no discussion of the matter in the Junta prior to the writing of this letter, and as during the discussion the bill never received the form mentioned by the letter, the state of affairs referred to by Austin is most probably accounted for by the supposition that there was a warm debate in the committee before the subject came up in the Junta. At any rate, Austin seems to have been unduly despondent, for he gained almost as much as he hoped for — perhaps because of his never-ceasing representations "to every member of the Junta."

The completed colonization law was promulgated by the Emperor on January 4, 1823. It was annulled after the overthrow of Iturbide; but, by special decree of the new government, Austin's grant was confirmed and he was allowed to go forward with its settlement under the provisions of the annulled law.

[1] "Hablé á cada individual de la Junta sobre la necesidad que havia en Texas, Santander y todas las otras Provincias dispobladas, que los nuevos Colonos traxerian sus Esclavos y de este modo procuré el artículo."

[2] Austin to J. H. Bell, November 22, 1822. — Austin Papers, B 19.

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Thus it was that the government of Mexico, while all buoyant with the hopes born of the Revolution and moved by theories of the equality and brotherhood of man, authorized the introduction of negro slavery into one of its fairest provinces, while it deluded itself with the belief that it was providing for the almost immediate extermination of the abhorred institution.

In the mean time the "Texas fever" had spread rapidly through most of the slave states of the American Union, and immigration to that province became everywhere the topic of common conversation. When Austin returned to the United States, in 1821, from his exploring tour through Texas, he found nearly one hundred letters from the neighborhood of his old home in Missouri awaiting him at Natchitoches. His partner wrote him from New Orleans that "you and your colony excite more interest than the assembled sages of the nation." Many propositions reached him from men who desired to become sub-contractors and who offered to introduce bodies of settlers ranging in number from ten to three hundred. Austin was elated. He addressed a letter to the governor of Texas, asking that his grant be enlarged and that all restrictions as to the number of his colonists be removed.[1]

The great interest in the Texas colony, which was rapidly spreading throughout a large portion of the United States, also assumed a practical form. Several vessels sailed from New Orleans during the winter of 1821–22, bearing colonists and supplies; it is known that one of these vessels had on board sixty settlers, and another a few more than twenty. A great many immigrants came by land from Natchitoches. "Camps" sprang up along the Colorado and the Brazos, and the prospect seemed fair that a province would be peopled and civilized in a day. But Austin's long absence in Mexico, together with a number of disastrous events in Texas, served to discourage the settlers; and when he came back from the capital in 1823, he found that a large number of his followers had returned home. Unfavorable reports as to the government of Mexico, and particularly as to adverse slavery legislation, had also become

[1] Austin to Antonio Martinez, October 13, 1821. — Austin Papers, A 16.

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current in the United States, and immigration had almost wholly ceased. Austin's return, however, brought revived hope; confidence was restored, and before the end of 1824 he had the satisfaction of seeing all but a very few of the three hundred families in possession of their land. The success of the colony was assured.

The question of slavery, however, was by no means finally disposed of by the decree of Iturbide's Junta, which allowed American immigrants to bring their slaves into Texas. The Mexican people had still to speak. The national constitution, which might dispose of the matter, was yet to be adopted; and, after the federal form of government was determined upon, the framing of the state constitution and of the state colonization law offered other opportunities for the destruction of the institution in Texas.

The Congress which Iturbide had dispersed in October, 1822, reassembled the following March and remained in session till October 30, 1823.[1] It made only one provision affecting slavery. By decree of October 14, the province of Itsmo was created and opened to foreigners. Immigrants were allowed to bring their slaves, but a distinct warning was probably intended in an otherwise unnecessary clause, which said that they should be subject to whatever laws might be made in future relative to such property.[2]

The Constituent Congress which framed the Mexican constitution met in November, 1823. A decree of July 13, 1824, left no room for doubt as to the attitude of that body towards at least one phase of the slavery question. It prohibited the slave trade, domestic and foreign, in the most positive terms. Infractions of the law were to be punished with the greatest severity: any vessel engaged in this traffic, which brought slaves to Mexico, was to be confiscated with its cargo; and the owner, purchaser, captain, master and pilot were to be condemned to a year's imprisonment. Slaves brought into the country by such trade recovered their freedom the moment they touched Mexi-

[1] Dublan y Lozano, Legislacion Mexicana, I, 632 (note) and 686 (note).
[2] *Ibid.*, pp. 682–84.

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can soil. A suspension of penalties for six months was, however, declared in favor of those colonists who might wish to land slaves in the recently created province of Itsmo.

This decree was directed essentially against the *slave trade;* it contained no express prohibition of the removal of slaves to Mexico by their owners, whether citizens or immigrants, for purposes other than trade. The exception made in favor of the colonists on the isthmus of Tehuantepec may possibly be construed as indicating the intention of Congress to exclude the slaves of all other colonists, and may thus be regarded as an implied prohibition of the further introduction of negroes into Texas. It will be noted, however, as we proceed, that the Congress of Coahuila and Texas, which was hostile to slavery, did not so construe it, but expressly gave the colonists permission to bring in their slaves for six months after the publication of the state constitution of 1827.[1]

[1] Lucas Alaman (Iniciativa de ley, *etc.*, a message to Congress, printed in Filisola's Guerra de Tejas, II, 595) takes the view that all slaves brought to Texas after this decree was published should have gained their freedom in virtue of the provision of section 2 of the decree.

Professor von Holst (History of the United States, II, 553) says this decree prohibited the further importation of slaves. "But Texas was a great way off," he continues, "and the arm of the Mexican government was not long. Now, as before, settlers came with their slaves from the slave states to Texas." But he says nothing of the express permission of the constitution of Texas and Coahuila, as late as 1827, to continue this importation for six months after its publication. The importance of this decree, involving as it does the question as to whether the Texans willfully violated the federal law of Mexico, warrants the quoting of it entire: —

El soberano congreso general constituyente de los Estados Unidos Mexicanos, ha tenido á bien lo siguiente:

1. Queda para siempre prohibido en el territorio de los Estados Unidos Mexicanos el comercio y tráfico de esclavos, procedentes de cualquiera potencia, y bajo cualquiera bandera.

2. Los esclavos que se introdujeren contra el tenor del artículo anterior, quedan libres con solo el hecho de pisar el territorio Mexicano.

3. Todo buque, ya sea nacional ó extrangero, en que se trasporten ó in-

The sovereign general Constituent Congress of the United Mexican States has been pleased to decree the following:

1. Commerce and traffic in slaves, proceeding from any country and under any flag whatsoever, is forever prohibited in the territory of the United Mexican States.

2. Slaves that are introduced contrary to the tenor of the above article are free in virtue of the mere act of treading Mexican territory.

3. Every ship, whether domestic or foreign, in which slaves are transported

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Here the matter rested, so far as federal legislation is concerned. The *Acta Constitutiva*[1] (adopted January 31, 1824) was silent on the subject, as was the national colonization law.[2] The federal constitution, which was completed and promulgated on October 4, 1824, made no mention of the subject.[3] When Congress adjourned in December, Mexico had no law prohibiting incoming settlers from bringing their slaves with them, unless, indeed, the decree of July 13, 1824, can be construed as implying such a prohibition.

Some alarm had been created among the American settlers by the rumor that it was the intention of the Mexican leaders to introduce into the federal constitution a clause abolishing slavery. At the invitation of the acting political chief of

troduzcan esclavos al territorio Mexicano, será irremisiblemente confiscado, con el resto de su cargamento; y el dueño, el comprador, el capitan, el maestre y el piloto sufrirán la pena de un año de presidio.

4. Esta ley tendrá su efecto desde el mismo dia de su publicacion; pero en cuanto á las penas prescritas en el artículo anterior no lo tendrá hasta seis meses despues, respecto de los colonos que en virtud de la ley de 14 de Octubre último, sobre colonizacion del istmo de Guazacoalco, desembarquen esclavos con el fin de introducirlos en el territorio Mexicano.

to or introduced into Mexican territory, shall be irremissibly confiscated, with the remainder of its cargo; and the owner, the purchaser, the captain, the master, and the pilot shall suffer the penalty of a year's imprisonment.

4. This law shall take effect from the day of its publication, but the penalties prescribed in the above article shall be suspended for six months with reference to those colonists who, in virtue of the law of the fourteenth of October last upon the colonization of the isthmus of Guazacoalco, may land slaves with the intention of introducing them into Mexican territory.

— Dublan y Lozano, Legislacion Mexicana, I, 710.

[1] Dublan y Lozano, Legislacion Mexicana, I, 693–97. The first draft of this act, which became the basis of the constitution of 1824, was probably drawn up by Austin. He tells us that Arispe, who was the leader of the federal party and the chairman of the committee on constitution, asked him for such a document. There is in Hon. Guy M. Bryan's collection a copy with annotations in the handwriting of Arispe, and it is known that copies of the document were made for Arispe's friends in various parts of Mexico.

[2] Adopted August 18, 1824. — *Ibid.*, p. 712.

[3] *Ibid.*, pp. 719–37. Translated in Edward's History of Texas, Appendix, pp. 323–36. The statement of Professor von Holst (Constitutional and Political History of the United States, II, 553) and others that the constitution "declared all children thereafter born of slaves free" is, of course, wholly at variance with the facts.

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Texas, the inhabitants of Austin's colony held a mass meeting on June 5, 1824, to formulate instructions for the guidance of the representative of Coahuila and Texas in the Constituent Congress. At this meeting two subjects were considered — the tobacco monopoly of the government and slavery, and a memorial on each was addressed to Congress.[1] The memorial on slavery asked that the slaves of the three hundred families settled in Texas be exempted from any emancipation provision that might be made by Congress; it appealed to the guarantee made by the colonization law, under which most of the settlers had felt safe in bringing their slaves with them; it laid emphasis upon the fact that such labor was necessary in clearing and cultivating their farms; and assured the government that no slaves had been brought into the country for speculative purposes.[2]

Although the Congress passed no law prohibiting settlers from bringing their slaves into Texas, the attitude of the Mexican people soon became well known in the United States and materially injured the Texas settlements. People were slow to put in jeopardy such valuable property as their slaves. Exaggerated rumors became current everywhere, and from all quarters letters came to Austin asking for more definite information in regard to the matter. The following extract from a letter from J. A. E. Phelps, of Missouri, to Austin will serve to show how this decree against the slave trade became distorted by the United States newspapers:

> Nothing appears at present, [he wrote,] to prevent a portion of our wealthy planters from emigrating immediately to the province of Texas but the uncertainty now prevailing with regard to the subject of slavery. There has been a paragraph that has gone the round of nusepaper publication in the United States, perporting to be an extract from a Mexican paper; Which precludes the introduction of Negro property into the Mexican Republick, without exception; Subjecting the persons so offending to the severest penalties, and also

[1] Instructions were drawn up for the representative of Texas in the provincial deputation, for it was through that body that the memorials were to reach the national Congress.

[2] Proceedings of meeting. — Austin Papers.

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an immediate emansipation of those slaves now belonging to the citizens of the province of Texas; and fredom to the *slave* that *touches* the soil of Mexico. If this be a fact, it will check the tide of emigrating spirits at once; and indeed it has had its influence already.[1]

Rumors even more adverse to the settlement had already become current in Alabama. A letter to Austin from George Nixon, of that state, dated November 14, 1823, had this to say:

I think It my Dutey to say to you that the Genral [General Eugenio Cortez, on his way to Philadelphia, but forced to put into Mobile for repairs], Sayes to me that all Negrow in the Provances of Mexico are free, and that Slavery will not be Premited and that you have No author to Grant Lands Nor inVite Settlers to the Provance.[2]

The interests of the colony perhaps suffered more from partial or exaggerated reports in the two sections just mentioned than elsewhere in the United States. But from all quarters came inquiries as to the present status of slavery and the probable future legislation of the Mexican nation. It must not be understood, however, that these reports altogether stopped immigration; Texas was being peopled in spite of the uncertainty about slavery. The Mexican authorities in Texas were not ignorant of the fact that the incoming colonists were bringing slaves with them, and yet they continued to encourage immigration, not regarding the introduction of slaves by their owners removing to Mexico as a violation of the decree of July 13, 1824.

It is now time to inquire into the attitude of the state government of Coahuila and Texas towards slavery, and to follow briefly the acts of the state Congress. By the *Acta Constitutiva*, January 31, 1824, the provinces of Coahuila, Texas and Nuevo Leon were united into one state under the title "Eastern Internal."[3] By decree of May 7, 1824, Nuevo Leon was made a

[1] J. A. E. Phelps, Pinckneyville, Mo., to Austin, June 16, 1825. — Austin Papers, A 21.

[2] George Nixon, Mobile, Ala., to Austin, November 14, 1823. — *Ibid.*, A 32.

[3] Dublan y Lozano, Legislacion Mexicana, I, 693.

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separate state,[1] Coahuila and Texas remaining united. The old name was dropped and the state was known as "Coahuila and Texas." The federal constitution adopted five months later approved this arrangement,[2] and Coahuila and Texas continued legally united until the Revolution. The Constituent Congress of the state met in August, 1824, and remained in session till June, 1827.

The colonization law — under which all the contracts in Texas, except Austin's first, were made — was approved March 24, 1825.[3] This was one of the most liberal invitations ever issued by a nation to foreigners. Grants of land, to which the adjective "princely" may in truth be applied, were offered almost for the asking. As those who passed the law were well aware that it was directed chiefly to the Americans, it cannot be said with any semblance of support that the Mexicans had yet come to regard the Americans with jealousy or suspicion. Nor could they have felt much alarm at the introduction of the slaves, who they knew were every day being brought across the border. The slavery question, which was inseparably connected with the colonization of the provinces, was dismissed, so far as the state colonization law is concerned, as follows :

> Art. 46. In respect to the introduction of slaves, the new settlers shall subject themselves to the laws that are now, and shall hereafter be established on the subject.[4]

This was understood to amount practically to a declaration of at least temporary toleration, not only of slavery, but also of the further introduction of slaves by incoming settlers. It is true that this view is open to objection if we regard the national law of July 13, 1824, as does Professor von Holst, as excluding the introduction of slaves into all other colonies, by making a

[1] Dublan y Lozano, Legislacion Mexicana, I, 706.

[2] *Ibid.*, p. 720. Rhodes (History of the United States from the Compromise of 1850, I, 76) makes the mistake of saying that Texas and Coahuila were constituted one state by the Mexican constitution of 1827.

[3] Laws and Decrees of Coahuila and Texas, pp. 15–23.

[4] "Los nuevos pobladores, en quanto á la introduccion de esclavos, se sugetarán á las leyes establecidas, y que en adelante se establecieren sobre la materia." — Laws and Decrees of Coahuila and Texas, p. 22.

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special exception of the isthmus of Tehuantepec. The matter need not, however, be discussed at this point, since the interpretation put upon that law a little later by Austin and the state Congress will perhaps aid us in passing final judgment.

The Congress made slow progress in the matter of framing the constitution of the state; but it soon became known that the body was hostile to slavery. The alarm was sounded through Texas; and, as usual, exaggerated rumors flew from settlement to settlement, until many of the slaveholders actually began to make preparations to return to the United States.[1] Even Austin seems to have been much affected by the panic, as he faced the possibility of losing his most valuable colonists, and in consequence was plunged into one of those fits of gloom which sometimes settled heavily upon his heart. He drew up a strong memorial, which was pronounced by his Bexar friends to be *algo duro*,[2] and forwarded it through the political chief to Congress. The Americans in Texas, of course, warmly supported Austin's view. The Spanish leaders in Bexar were but little behind in endorsing the sentiments of the empresario. There has been, it appears, a general misapprehension as to the relations existing at that time between the Spanish and American elements in Texas. Instead of being hostile to the interests of the colony, the citizens of Bexar were willing to go almost as far as the American settlers in asking the government to grant toleration to slavery. When an adverse report on this subject was made to Congress in the form of the first draft of the thirteenth article of the constitution, the Bexar authorities at once interested themselves to have the objectionable article eliminated. Austin's brother, then in Bexar, wrote as follows:

> The Ayuntamiento of this place presented a memorial to the Legislature as soon as the *project* arrived — praying that the discussion on that important point might be suspended untill they could have time

[1] Jesse Thompson, San Felipe, to John Spoul, Ayish (Austin Papers, D 25), says he has acquired information as to the prohibition of slavery which leaves no doubt on the subject, that he feels entirely ruined, and that he thinks he will make immediate preparation to remove to the United States.

[2] J. E. B. Austin, Bexar, August 22, 1826, to S. F. Austin. — Austin Papers, Q 59.

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to *consider* upon it, and inform the other Ayuntamientos of the Department that they might do the same. Since then they have given it the attention it merited — and by the last mail *have sent* up a *representation couched* in the strongest language they could express in *favor* of the *admission* in the New *Colonies* — they declare it to be *indispensable* for the prosperity of this Department; in fact they have said all they can say — as to the project of freeing the slaves of the 300 families they declare it to be an unjust abuse of the rights of the Colonists.[1]

In such language the brother of the empresario expressed his satisfaction as to the attitude of the Mexican officials in San Antonio.

Austin felt that a crisis had been reached. Writing to one of his agents, who was making contracts for him in the United States while the matter was pending in Congress, he insisted that it be explained to the families who were then about to start to Texas, and said that he would in no manner be held accountable or censurable for embarrassments arising from the slow action of the government. The constitution, he explained, was under discussion and the slavery question was yet undecided; he believed that the unrestricted admission of slaves would not be permitted, though most probably those then in the colony would remain slaves for life.[2]

In addition to his exhortations addressed to the Texas representative and the memorial which he directed to Congress, Austin felt that a personal agent in the capital was necessary to the interests of Texas. His brother, James Brown Austin, was selected for this mission. After remaining for some time in Bexar, probably with good effect, Brown Austin reached the capital in September. He found Congress almost unanimous on the subject of slavery, and was at once convinced that "the *most* that can be obtained is permission for the three hundred families to hold their slaves."[3] The anti-slavery men were led

[1] J. E. B. Austin, Bexar, August 22, 1826, to S. F. Austin. — Austin Papers, Q 59.

[2] Austin to Gen. Humphrey Fullerton, October 2, 1826. — *Ibid.*, A 32.

[3] J. E. B. Austin, Saltillo, to S. F. Austin, September 23, 1826. — *Ibid.*, unclassified.

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by the deputy Carrillo, who seems to have been the controlling spirit in the body. It was believed by Brown Austin that all the members except Bastrop and one or two others had been bought[1] by this aspiring leader. At all events, they were under his control. The only man in the body that defended the slave interest was the Baron de Bastrop, the Texas representative; and nobly did he work for what he believed to be the welfare of his adopted section. "The *Viejo* is *very* warm on the subject," wrote Brown Austin from Bexar to his brother, after having seen a letter from Bastrop to Cavallos, which in some way had fallen into the hands of the political chief of Texas; "I know not what would have been our fate if he had not been a member of the legislature. Our situation would have been a deplorable one indeed."[2]

It would be interesting to follow the debates on this topic, but the want of the printed journals leaves us to conjecture as best we may the various forms assumed by the thirteenth article of the constitution before it was finally incorporated in that instrument. Certainly a movement was on foot to abolish slavery altogether, even to the extent of emancipating the slaves of the first settlers. "At all events, if it comes to the worst," were the words of Brown Austin, "and the slaves of the 300 families are *freed*, we have a right to appeal to *Congress* — where I am convinced all will go right."[3] Bastrop's tireless exertions, the presence of Brown Austin in the capital, and the strong remonstrances which came from a united Texas, probably had considerable effect in moderating the demands of the extreme party. The Baron even went so far in his loyalty to Texas as to threaten that he would withhold his signature from the finished constitution, if it contained an article freeing the slaves of the Texas colonists.[4] Brown Austin reported that the representation of his brother so clearly demonstrated the injustice of such an act "that the Author of the Article

[1] J. E. B. Austin, Saltillo, to S. F. Austin, October 10, 1826.—Austin Papers, D 36.
[2] J. E. B. Austin, Bexar, to S. F. Austin, August 22, 1826. — *Ibid.*, Q 59.
[3] *Ibid.*
[4] J. E. B. Austin, Saltillo, to S. F. Austin, September 23, 1826. — Austin Papers, unclassified.

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himself [Carrillo] asked permission to withdraw it."[1] The substance of the article thus withdrawn is not stated; but perhaps we should not fly wide of the mark if we should guess that it was a clause emancipating all slaves in Texas. The withdrawal of the article, whatever it may have been, by Carrillo seems to have marked the crisis in the discussion of the matter. The slaves then in Texas were not to be freed. It remained to settle the status of the children born of slaves after their removal to the state, and to pass upon the question of the further introduction of slaves by incoming settlers.

The leaders of the Texas party seemed to have realized, from the first, that it would be useless to contend for the continuation of their property rights in the generation born of slave parents in Texas after the publication of the constitution. They did try, however, to claim as much service from that generation as possible. Brown Austin urged Congress to consider the wisdom of retaining the children under the master's supervision until they had acquired some "useful branch of industry whereby they might gain a livelihood — instead of becoming *vagabonds* and rogues." He believed that no such useful branch of industry could be acquired if they were freed at birth or fourteen, and suggested instead that they should be compelled to remain with their masters till they were twenty-one or even twenty-five. He laid emphasis, too, upon the injustice of compelling the master to maintain the children of the slaves during the period when their support could be little less than a total loss, without providing some means of compensation, as by extending their period of compulsory service till the owner had been remunerated. He found the members inclined to listen to his arguments, and he left Saltillo indulging the pleasing thought that he had probably been instrumental in preserving to the Texas settlers the labor of the next generation of negroes till they had reached the age of twenty-one or twenty-five. His hopes proved wholly unfounded; the thir-

[1] J. E. B. Austin, Saltillo, to S. F. Austin, October 10, 1826. — Austin Papers, D 36.

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teenth article provided that after the promulgation of the constitution the children of all slaves should be free at birth.[1]

Bastrop had early come to the conclusion that a further introduction of slaves into Texas would be strictly forbidden.[2] We have as yet no knowledge of the considerations which moved Congress to postpone the effective operation of the thirteenth article for six months after the publication of the constitution, during which time slaves might be freely brought into the republic. Probably it was urged upon the notice of that body that many settlers were on their way to Texas, who might reach the border before hearing of the new constitution, and would then be compelled either to return or to lose their slaves. Simple justice required that ample notice be given to intending immigrants.

The thirteenth article, as it was finally adopted and as it appeared in the constitution, which was published March 11, 1827, reads as follows:

> Art. 13. From and after the promulgation of the Constitution in the capital of each district, no one shall be born a slave in the state, and after six months the introduction of slaves under any pretext shall not be permitted.[3]

Six months later the Congress issued a decree for carrying into effect the provisions of the above article. The municipalities were ordered to make a list of all slaves within their limits, the deaths and births were to be reported to the state government every three months and a careful register of the same was to be kept by the ayuntamientos. In addition several provisions were incorporated in the law which were intended to ameliorate the condition of the blacks: a tenth of the slaves must be emancipated whenever ownership changed, which, of course, could be only by inheritance; the ayuntamientos were

[1] Laws and Decrees of Coahuila and Texas, p. 314.

[2] J. E. B. Austin, Saltillo, to S. F. Austin, September 23, 1826. — Austin Papers, unclassified.

[3] "Art. 13. En el estado nadie nace esclavo desde que se publique esta constitucion en la cabecera de cada partido, y despues de seis meses tampoco se permite su introduccion bajo ningun pretesto." — Laws and Decrees of Coahuila and Texas, p. 314.

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also required to provide for the "best education that can be given" the emancipated children.[1] A little more than two months later an additional article to this decree was passed, which allowed the slave to change his master, provided the new master would indemnify the old.[2]

It will be seen from the above that the Congress of Coahuila and Texas did not even consider the proposition, advanced by Alaman and accepted by Professor von Holst, that the law of July 13, 1824, prohibited the further introduction of slaves into Mexico.[3] Not once was it intimated by the younger Austin in his long letters to his brother that this view had been accepted by even the most radical opponent of slavery. Congress was not occupied with discussing the advisability of enforcing a law already in existence, but provided for the first time the proper regulations for introducing and holding negro slaves in Texas. It did not accuse the Texans of having trampled upon the federal law, but specifically granted them an extension of time during which the prohibitory clause in the newly made constitution should be suspended. The letters and documents above referred to establish beyond question, it seems to me, that the Congress of Coahuila and Texas, as well as the citizens of Texas, did not regard the bringing in of slaves by immigrants as contrary to either state or federal law.

The prohibition in the constitution undoubtedly operated to the temporary disadvantage of the colonies. During the discussion of the matter by Congress, few men were willing to risk the possibility of losing their slaves by carrying them into Texas; and after the prohibition went into effect, it was some time before the ingenious plan of evading the law became well known in the United States. It was not long, however, before slaves were again crossing the border with their masters, in spite of the seemingly rigid prohibition contained in the constitution. The Texas settlers developed a method of evading the law which was more in accord with Mexican institutions; and while it just as effectively secured to the master the absolute

[1] Laws and Decrees of Coahuila and Texas, pp. 78, 79.
[2] *Ibid.*, p. 92. [3] See above, p. 398, 399.

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control of the servant's labor, it left unmentioned the obnoxious word "slave," and thus did not outrage the Mexican's theory of the equality of men. The system adopted by the Texans was the peonage common throughout Mexico.

As has been said above, it is hard to believe that the thirteenth article was inserted in the constitution out of any motives of jealousy or hostility towards Texas on the part of the leaders of Coahuila: too many exclusive privileges and temporary exceptions were granted to Texas by the same Congress to permit such a view. It was more than likely that the abstract theorizing of a non-slaveholding people who had just won their independence had aroused opposition to slavery. For a few years following the publication of the constitution the attitude of the successive state Congresses was favorable to Texas. Many grants of monopolies in trade were made to Americans, and special laws or exceptions to laws were passed from time to time in favor of the Texas settlements. So it happened that when the question of introducing and controlling negro labor was again laid before Congress without the mention of the word "slave," the members did not feel that violence had been done to their principles, but proceeded to undo practically all that the constitution had done in favor of emancipating the slaves brought into the colonies.

The harmless-looking decree of May 5, 1828, which again opened Texas to slavery, reads as follows:

> The Congress of the State of Coahuila and Texas, attending to the deficiency of workingmen to give activity to agriculture and the other arts, and desiring to facilitate their introduction into the State, as well as the growth and prosperity of the said branches, has thought proper to decree:
>
> All contracts, not in opposition to the laws of the State, that have been entered into in foreign countries, between emigrants who come to settle in this State, or between the inhabitants thereof, and the servants and day laborers or workingmen whom they introduce, are hereby guaranteed to be valid in said State.[1]

If we would fully understand to what extent there was a

[1] Laws and Decrees of Coahuila and Texas, p. 103.

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"deficiency of workingmen," and in what character it was desirable "to facilitate their introduction into the State," we must consider a few other facts in connection with the decree just quoted. The laborers needed in Texas were for the opening and cultivation of the great plantations along the river bottoms, for the settlers of Texas at that time regarded the prairies and uplands as suitable only for cattle-raising. In these bottoms negro labor could be employed to far greater advantage than white labor, owing to that peculiar physical characteristic of the negro which renders him almost secure against attacks of the all-prevalent malaria. These plantations are worked to this day almost exclusively by black labor. It was negro laborers, then, that the decree regarded as especially desirable.

Not quite a year after the passage of the decree under consideration, Austin, in a letter to Wharton, said emphatically that "the men now in power in this state wish to tolerate slavery," and that settlers might bring their negroes without fear.[1] Again, in a letter to Ellis, Sutherland, Winston, Royal and others, written at a time when Austin believed that enough slaves had been admitted to Texas, he stated that the object of the decree of May 5, 1828, was "to permit families to bring the necessary and indispensable house servants and laborers."[2]

If any doubt yet remains as to the spirit of the decree, one more instance may serve to resolve it. Early in 1830 the legislature of Louisiana ordered the expulsion of all free negroes and mulattoes who had illegally entered that state since 1825. Here seemed to be a good opportunity to secure the needed workingmen for the Texas plantations. Instead, however, of offering inducements to these laborers to emigrate to Texas, we find the Mexican vice-consul in New Orleans publishing notices that such negroes are strictly forbidden to enter Texas, and that shipmasters will not be allowed to land them on the Texas coast.[3] The free negro was not wanted in Texas.

[1] Austin to Wharton, April 24, 1829. — Austin Papers, A 32.

[2] Austin to Ellis *et al.*, June 16, 1830. — *Ibid.*, D 94.

[3] James W. Breedlove, Mexican vice-consul, New Orleans, to Austin, August 11, 1830. — *Ibid.*, D 49.

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In the light of these facts, we are driven to the conclusion that the Congress of Coahuila and Texas, after a harmless salvo in honor of abstract principles, quietly solved the practical difficulty by a decree which was intended to reopen Texas to negro bondage, now disguised under the more pleasing name of contract labor. That the Texans evaded the law prohibiting the further introduction of slavery is an undoubted fact, but it must be added that they did so with the express consent and connivance of the state government.

The form of contract under which the negroes were brought into Texas after the decree of May, 1828, was unique. I regret that the limits of this paper forbid my introducing it here in full. Prior to leaving the United States, the master and the slave appeared before a notary public, or some other official whose seal would give validity to such documents, and in the most formal manner gave their adhesion to the agreement, which was duly signed and witnessed. The document usually begins with the statement that the negro is held as a slave under the existing laws of the state in which the contract is drawn up; that he is worth so much; that he desires to accompany his master to Texas, where he will receive his freedom on entering the state; and by way of compensating his master he agrees to pay in labor the sum at which he is valued, plus the cost of removal to Texas. The necessary cost of clothing, *etc.*, is to be deducted from his wages as a first charge. The wages named in a blank form found among Austin's papers is twenty dollars per year.

> And furthermore [says the contract] the said E. F. [the slave], being desirous that his child (or children) should enjoy the benefits of the laws of said state of Coahuila and Texas, and that he (or they) should be removed to the same by said C. D. [the master], therefore, as parent and natural guardian, he, the said E. F., contracts and agrees with the said C. D.

that his child or children shall serve on the same terms as the father, wages to begin when the child reaches the age of eighteen. The contract even anticipates the birth of other

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children after removal to Texas, and provides that they shall serve the master till they are twenty-five without wages, this

being in consideration of the benefits they receive from the laws of that state in consequence of the removal of their parent, E. F., by said C. D., and which they never could have enjoyed unless it had been secured to them by this contract, under which said C. D. was induced to remove said E. F. to said state of Coahuila and Texas.

After the expiration of the twenty-five years, the children born after removal are to continue serving on the same terms as the father, until all debts due the master are paid. The master is held bound

to instruct said children in some useful branch of industry that will make them useful members of the community. . . . And said E. F. generally contracts and agrees with the said C. D. faithfully to serve him or his representatives as a servant and laborer as above stated, and to be obedient and submissive as a good and faithful servant should be, and faithfully to comply with this contract under the penalty of . . . dollars.

Such a contract, properly signed by the parties concerned and certified by the notary's seal and the signature of two witnesses, made the negro thus brought into Texas as truly a slave as if his master had remained in the United States. It was of course a hopeless dream to think of ever paying the debt acknowledged in the agreement, or even that contracted from year to year for clothing and other necessaries. Under this legalized evasion of the law the Texas immigrants continued to bring in their slaves, and the agitation of the subject subsided for a year or two.

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THE RECENT HISTORY OF THE LIVING WAGE MOVEMENT.

I.

THE "living wage" is not an aim of labor policy which can be dealt with by itself, apart from all considerations of hours and other conditions of labor. It must be viewed as incidental to the maintenance and improvement of the standard of life — the general end towards which all organized working-class effort has been directed. High wages could not compensate for an early death in a white-lead factory or for slavery in a London sweating den. The diversity of the conditions under which wages are earned renders any universal standard impossible; the rate varies from trade to trade, from time to time and from district to district. Mr. Pickard, M.P., in presiding over the annual conference of the Miners' Federation of Great Britain, January 14, 1896, claimed that a miner ought to have eight shillings for his normal day's work, five shillings for risk and three shillings for extra home work in cleaning clothes, *etc.*, or sixteen shillings a day in all — an amount which appears wildly ideal, in view of the twenty to thirty shillings a week which the federation secures to its members, or the twenty-four shillings a week of the "moral minimum" for unskilled labor. And Mr. Mawdsley, the secretary of the Lancashire cotton spinners, could give the Industrial Remuneration Conference no more precise opinion than that "the remuneration of the workingman ought to be the utmost that orderly and peaceful means can compel capital to pay."

There could be no common standard for the regulation of the conditions of labor until trade unions became strong enough to substitute collective bargaining for individual agreements. When the industrial revolution broke down the old guild ideas of labor, the popularly accepted economic doctrine was that labor, like every other commodity, was subject to the rule,

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"buy in the cheapest and sell in the dearest market." The trade union leaders adopted this doctrine fully, and sought to form strong national societies, controlling whole industries and regulating the entrance to trades, so as to secure the largest remuneration for those in them. The success of either workmen or employers depended on the strategic position of the two parties in the labor market. The frequency of disputes led to the abandonment by both parties of the theory of supply and demand and the adoption of another economic doctrine — that wages should follow prices. This new principle secured general recognition by the trade unions, with the notable exception of the cotton operatives, who from an early date established standard lists of wages for the various classes of their work. But in the unorganized ranks of the women workers and unskilled laborers the law of supply and demand still held good.

Meanwhile, a totally different doctrine gained recognition with regard to sanitation, accidents, the employment of women and children, and the hours of labor. The maintenance of a high standard of life was treated, not as an object of concern solely to individual groups of workers, but as a matter of supreme importance to the whole community. In a long series of public health acts and factory acts rules were established, coextensive with industry, for the regulation of the conditions under which labor should be carried on. Each successive Act of Parliament carried the interference of the state into more minute details of industry, and at the present time a great part of the worker's life is independent both of the demand for labor and of the demand for commodities.

The natural result has been the application of the same doctrine to wages, and the emergence of the vague idea of the "living wage" — of the principle that wages should be a first charge on industry. This idea had always been present in the minds of workmen, though till well into the eighties the influence of the theory that wages must follow prices had been plunging the unions into ever deeper apathy. Gradually a change came over the labor world. The bad times which

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prevailed between 1883 and 1886 showed the workmen on how precarious a tenure they held their existence. The writings of Henry George and the active propaganda of the socialists, especially the "unemployed" agitation in 1886–87, did much to open men's eyes. *The Bitter Cry of Outcast London* and other somewhat sentimental disclosures unveiled the horrors of life among the very poor, while the inquiries of the Royal Commission on the Housing of the Poor and the Select Committee of the House of Lords on the Sweating System, coupled with the statistical researches of Mr. Charles Booth, showed that the statements of the sentimentalists and agitators were, if anything, undercolored. Slowly the situation began to improve. With the return of better trade, the unskilled masses, encouraged by the public attention which had been devoted to their condition, began to organize. In July, 1888, the match girls of the East End of London, whom their employers had locked out to compel a written contradiction of the public statements as to their low wages, succeeded, under the leadership of Mrs. Besant and Mr. Herbert Burrows and with the aid of considerable public sympathy, in forcing from their employers improved conditions of labor. The Seamen's and Firemen's Union, which in 1888 numbered only 500 members, claimed in 1889 to have 65,000 men in its ranks, and in the latter year secured a large number of concessions of higher wages. In August, 1889, the Gasworkers' and General Laborers' Union, within four months of its establishment, achieved without a strike a reduction of their hours of labor from twelve to eight per day. Most noteworthy evidence, too, of the growing public belief in the efficiency and cheapness of high wages was the adoption in 1889 of the "fair wages" policy by the London School Board and the London County Council. Finally came the great dock strike, and the rebirth of labor was an accomplished fact.

It is not proposed to review here all the wage movements of the past nine years. The forcing up of wages to a high level and the establishment of uniformity over wide areas are the two most prominent features to be borne in mind, and only those disputes which involve the consideration of impor-

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tant economic theories or the relations of wages to other main conditions of industry can be dealt with in detail.

II.

The great dock strike marked the destruction of the theory that wages should be governed by the supply of and demand for labor. The London docks depended almost entirely on casual labor for the performance of their business of unloading ships. At the three East London docks about a thousand men were permanently employed, earning from 20*s.* to 25*s.* a week; and from 3000 to 15,000 extra hands were taken on, according to the state of employment. Work was sought at the dock gates not only by the professional dockers, but also by the unemployed and the "failures" in every other trade, forming an army estimated at from 50,000 to 100,000 men. The docker had to take his place at the dock gates day after day, hour after hour, till there was a "call" for workers, and then fight to attract the notice of the foremen after the "preferred" men (who had the first claim) had been taken on. The wood and grain porters and most of the regular hands were men of good physique, earning fairly good wages; but the bulk of the others were miserable specimens, who were often compelled by hunger to cease work as soon as they had earned a few pence for a meal. There were three classes of work: time work, paid at 5*d.* an hour and 6*d.* per hour overtime after 8 P.M.; piece work, paid at the same rates, but with an addition of a certain "plus," or premium on exertion, if the job was completed in less than a fixed time; and contract work, where the job was let out to contractors at an agreed price and on the condition of paying their laborers a minimum of 6*d.*

A casual dispute at the South West India Dock over the amount of "plus" on a certain cargo, on August 12, 1889, was the spark which kindled the conflagration. Mr. Tillett, who for some time had been trying to organize the tea coopers, took command of the men on strike, and summoned to his aid his friends Tom Mann and John Burns, well known as socialist

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agitators. The moment was seized to put forward all the dockers' demands, and this program was drawn up: (1) a minimum engagement of four hours; (2) men to be taken on only at 8 A.M. and 12 M. each day; (3) piece work and subcontract to be abolished; (4) the minimum wage to be raised from 5*d.* to 6*d.* per hour, and to 8*d.* after 6 P.M.; (5) contract pay to be raised from 8*d.* to 1*s.* per hour. Within three days 10,000 dock laborers were out, and before long the well organized stevedores and lightermen joined them. The minimum four hours' engagement was soon conceded by the companies, but the other demands were refused. With each day the enthusiasm grew: dock after dock was cleared of its workers, the wharves followed suit, and the trade of the port of London was paralyzed. A series of large and orderly processions through the city and of demonstrations in the parks awoke public attention, while the harsh references of Mr. Norwood, the chairman of the joint committee of the East and West India and London and St. Katharine's Docks, to "the pinch on Saturday" unloosed the public purse strings. The trade unions, too, came in with handsome contributions. An efficient picketing system was established; and as soon as "blacklegs" were brought up from the country at 5*s.* a day, they were got at and sent back. A committee, manned chiefly by the Stevedores' Union, sat daily to distribute relief; and the East End clergy did a great work in feeding the women and children.

On August 22 the dock directors put their case before the public. Conceding the minimum engagement of four hours, they refused the demands for regular call times (intended to enable the men to seek other work instead of hanging about all day) and for the abolition of piece work; because such concessions would, they said, transfer the control of all labor operations from the dock managers to the laborers. The new rates of pay "would be equal to an advance in the expenditure on labor of at least 25 per cent"; while, under the old conditions, the East and West India Dock Company had paid interest only on its debentures and the St. Katharine's Dock Company only 1½ per cent on its ordinary stock. Mr. Norwood, in a news-

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paper interview, put the extra cost at £100,000 per annum. Prominence was also given to the dangerous rivalry of Antwerp. Furthermore, the invention of steam, it was said, had substituted a daily for a seasonal irregularity in the arrival of ships; and now, when a vessel came into dock, it had to be cleared with the utmost dispatch, necessitating a supply of casual labor. In any case, the rate of wages had remained steady since 1872, while the cost of living had gone down.

> In the view of the joint committee a concession to these demands would be injurious not only to the interests of the men, but to the commerce of the port, and circumstances in no respect warrant it.... There would not be the slightest difficulty in resuming work at all the docks if proper protection to the men were given by the authorities.

In reply the men contended that the companies ought not to recoup themselves out of wages for losses due to their own mismanagement. It was through competition between the separate dock companies and between the docks and the wharves, the unnecessary and costly construction of the Tilbury Docks, ruinous litigation, wholesale discounts, and reduction of dues by special agreements with important lines of steamers that profits had been reduced to zero. Moreover, on account of the consolidated control established in 1889 for the East and West India, the London and St. Katharine, the Victoria and Albert and the Tilbury Docks, an undue profit had to be earned on an overcapitalized concern. Trade was hampered by the exorbitant charges imposed on shippers and by the payment of extravagant salaries. Contrasts were drawn with Liverpool, where proper wages were paid and the docks successfully managed by a public board. Foreign competition, it was argued, was not to be feared, for trade would always follow its natural routes and ship owners would not find it profitable to ship to Antwerp and then reship to England. By increasing the estimate of the amount of cargo to be discharged in a given time the managers had compelled the men to work harder, while reducing the bonus on exertion to an insignificant amount. Contract work was frequently sublet, even as often as seven times, which led to brutal overdriving. But, above all, the men based their

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claims on their moral right to be engaged for such periods and at such rates as would give them a wage which would secure at least decency, if not comfort.

"Sympathetic strikes" among all classes of laborers spread rapidly, and soon 130,000 men were idle. Popular feeling against the dock companies ran high; and at the meeting of the General Steam Navigation Company the chairman advocated a dock trust for London, saying that, "if the dock owners could not manage their labor, the ship owners could manage it for them." Next the wharfingers tried mediation in support of the men, but their attempts were futile. In despair the strike committee appealed to the London workmen to declare a general strike, but at the instance of the trade unions the manifesto was speedily withdrawn. The ship owners demanded permission to unload their own vessels and to make their own terms with the men. Mr. Norwood replied (September 2), in a tone worthy of a man who felt himself to be stemming the tide of bloody revolution:

> Our view of the strike is that it is a dock strike now no longer. It is a blow aimed at capital and at general employment. . . . I have no hesitation in saying that in the last ten days the great strike has gone far beyond the category of a mere dockers' strike, and that it has developed into an organized attack and an outburst with the view of raising the rate of remuneration over the entire East End of London.

Nevertheless, the end was in sight. A compromise was arranged with the wharfingers, allowing the men to go back wherever their terms were conceded, and the wharves were speedily busy again. Money was coming in fast: £30,000 came from Australia, and over £48,000 was raised during the strike. The attempts at mediation culminated in the Mansion House Conference, in which the Lord Mayor, Cardinal Manning, the Bishop of London, Lord Brassey, Sir A. Lusk, Sir J. Lubbock, M.P., and S. Buxton, M.P., took part. The conference advised the acceptance of the men's terms from the first of January following. On September 7 the directors accepted this advice, ungraciously yielding "to a pressure from without,

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which they venture to regard as a very dangerous departure in disputes between employers and workmen, and one which may have very far-reaching consequences in the future." The men refused to yield and lose the best months of that year, but Cardinal Manning and Mr. Buxton at last induced both parties to agree that the new rules should run from November 4. The lightermen and the Surrey Side men, who had grievances of their own, though at first they came out "on sympathy," were persuaded to submit their claims to arbitration, which ultimately resulted in their favor. Thus, on September 13, 1889, "woe-begone Lazarus" scored his first complete victory over Dives.

The fixing of a minimum rate per hour, however, did not necessarily mean a living wage, though the establishment of a minimum four hours' engagement was a step in that direction. The first necessity was the exact determination of the wage earned by piece work — a difficulty which in the textile trades was settled by the "particulars clause" of the Factory Act, requiring employers to supply their operatives with details of the way in which their wages were made up. At the docks, at first, the men were allowed to appoint "representatives" from each gang, who acted as subforemen and had the right to examine the books for each job, which they checked with a list of prices for every class of goods to be worked. After a year's trial, this system was abolished, the managers alleging that the union foremen gave preference to unionists and spun out the work so that the pay drawn by the men at 6*d.* per hour exceeded the piece-work price of the job. The most important result of the minimum rate was the discovery by the dock owners that half-starved men were dear at 6*d.* per hour. Strong men were brought up from the country, and the "decasualization" of the docks began. This movement was accelerated by the continual effervescence of strikes against the employment of non-unionists. The companies tried to attach men to themselves by offering permanent employment at the ordinary rates, with the additional inducement of pensions ranging from 6*s.* per week after fifteen years' service to 12*s.* per week after thirty years.

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The Dockers' Union did not object to permanency of labor, but did object to the work being taken out of their hands and to the large amount of overtime made by the new men. They attempted to start a coöperative system, taking over jobs at an agreed price and forming gangs who stood or fell by what they earned. These gangs earned 8*d.* or 9*d.* per hour instead of the average of $6\frac{1}{4}d.$; but, though this system was practically the same as that adopted with much success on state works in New Zealand, it was viewed by both sides with too much suspicion to win much favor. A series of disastrous strikes against non-union labor in 1890–91 weakened the union considerably, and in 1891 Mr. Tillett told the Royal Commission on Labor:

> If you will look at my evidence that I gave to the Sweating Committee three years ago, you will find that it almost represents the same conditions as exist to-day, only that those responsible for it are not the subcontractors, but the respectable dock company, the honorable ship owner. We would wish, if possible, that boy labor should be regulated; that the labor of old men should be regulated; and that there should not be more than 48 hours worked a week by each man, and nothing less than eight consecutive hours in each day.[1]
>
> From a rough estimate I gather that 25 per cent of the dock employees have a decent chance to live, 25 per cent have to do . . . heavy work which means physical incapacity in the long run and 50 per cent are not able to live a decent life.[2]

Considerable advance has been made towards that permanency of employment which is a necessary condition of a living wage. The joint committee employs about 7000 men, of whom 1700 are permanent hands, 1000 regularly enrolled in lists and making full time, and 1750 similarly enrolled and making four-fifths time. Mr. Charles Booth says:

> There appears to be good work actually for 14,500 to 15,000, or, allowing for sickness and unavoidable friction, for about 16,000 men. For these, with strict preference over all outsiders, there would be an average of 281 days out of 309. . . . On this calculation, 3000 additional men would be needed at the busiest periods, which fall mainly in the winter. If the outsiders could be drawn from those

[1] Qn. 3558, Group B. [2] Qn. 3664, Group B.

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trades which are slack at that time, they, too, might find a sufficient amount of work between two sources of employment for a decent livelihood. This arrangement, if it were feasible, would dispense entirely with the services of 5000 or 6000 men.[1]

Such an arrangement of irregular work does not appear to be impossible, in view of the ease with which the railway companies manage a similarly varying traffic. But since the dock companies neglect the very obvious suggestion of Mr. Booth that, for the regularizing of their work, they should decide over night the number of men required for the following day's work in each department, it may be doubted whether they possess the energy and initiative necessary for the greater task. Probably, therefore, municipal control of the docks must precede the establishment of a real living wage for the employees. In the course of 1897 dock workers, seamen, and all ship and river workers have been organized into an international federation, and a fresh wage movement may be expected in the near future. The London dockers demand a new minimum rate of 8*d.* per hour and 1*s.* per hour overtime, in place of the present average pay of 7*d.* per hour.

The success of the dock strike not only gave a great impetus to organization among unskilled laborers, but led to fresh activity among the older unions; and considerable advances in wages were gained in the good times of 1890–91, only to be lost, in many cases, when trade drooped in 1892. The building trades, in particular, showed a strong wage movement. The well-organized carpenters and joiners of London had had a standard wage of 9*d.* per hour since 1873, and, without the coöperation of the masters, had enforced a code of working rules. In May, 1891, the men in the employment of three firms struck for a rise of a penny an hour, a 47 hours week, including overtime, and the abolition of piece work. A lock-out by the other firms followed, the master builders asserting that trade was not flourishing, that contracts were going to country builders employing less highly paid labor, that there was an ample supply of labor and that wages compared favor-

[1] Life and Labour of the People in London, II, 422, 423.

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ably with the remuneration paid in other trades. After a stubborn fight, the dispute was referred in October to arbitration, and increased rates of overtime and a reduction of hours from 52½ per week to an average of 50 per week throughout the year were awarded.

The settlement was eminently unsatisfactory to the men, but they accepted it. Fresh efforts at organization were made, and in May, 1892, the Building Trades' Federation was formed, embracing the unions of the masons, bricklayers, carpenters and joiners, painters, smiths and laborers. A new code of working rules was negotiated, governing the employment of 60,000 men, not reckoning laborers. This code established an average 48 hours working week (from 50 hours in the summer to 44½ in midwinter), raised wages a halfpenny an hour all round, fixed improved terms for overtime and travelling, applied the rules to a district of twelve miles radius from Charing Cross, and required six months notice for the termination of the agreement to end on the first of May. The plumbers made a separate but similar agreement. The most important point about this code was that it relieved London workmen from the competition of the country districts.

In almost all the large towns similar codes of rules were obtained during 1893. Fertile sources of dispute, however, were still found in the employment of non-unionists and the practice of subcontracting, while the employers were hampered by the regulation which compelled reconsideration of the code at the busiest time of the year. Therefore, in November, 1894, they gave the requisite six months' notice to terminate the rules, unless strikes against non-unionists and subletting were forbidden and notice of alteration allowed to be given at any time. The men refused to adopt the changes, and 1895 passed in futile negotiations and sporadic strikes. In the spring of 1896 the separate building trades, one by one, abandoned the federation and the common code; and, in consideration of an extra halfpenny an hour, made separate agreements with the master builders, embodying the old rules with the proposed amendments. The laborers refused, but after a strike were

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beaten. The standard wage in London for the building trades is now 10*d.* an hour for a 48 hours week, except for plumbers, who have 11*d.*, and for laborers, who have 6½*d.* The story of the industry in the country reveals a steady and successful attempt gradually to screw up wages to the London level.

III.

Under the stimulus of the high prices of 1870–73 the miners became eager adherents of the doctrine that wages should follow prices. Frequent inquiries into the relations between wages and prices were, however, found to be provocative of disputes, and the device of the sliding scale was adopted as a means of settling wage disputes over long periods. The principle of the sliding scale was simply that wages should vary in certain fixed proportions to prices. So long as times were good, this automatic method of wage regulation was satisfactory; but when prices came tumbling down in 1878, the miners found how fatal it was to allow their standard of life to depend on market operations over which they had no control. To a certain extent, indeed, sliding scales contributed to the disorganization of industry; for when a mine owner by cutting prices could not only outbid his competitors, but also reduce his cost of production under the sliding scale, he was under a strong inducement to enter upon a campaign of underselling. The South and West Yorkshire Miners' Associations terminated the scale under which they worked in December, 1881, and refused to renew it unless a fixed minimum wage were established. Other districts followed suit; and in September, 1888, the Miners' Federation was formed, to work out the twin policies of a minimum wage and a legal eight hours day. Northumberland, Durham and South Wales held by the old policy, though the two northern counties joined the federation for a short time in 1893.

The membership of the federation was strongest in Yorkshire, Lancashire and the Midlands, and rose from 36,000 in 1888 to 96,000 in 1889, and to 250,000 in 1893. Between

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1888 and August, 1890, wages in the federation district were raised 40 per cent above the standard of 1879, but after 1890 the coal trade fell upon evil times. Mr. Chambers, a large coal owner, said:[1] "The collapse that has taken place since the beginning of this year is altogether without precedent in the history of the coal trade, at all events within the last forty years." The audit price of Northumberland coal at the pit head fell from 7*s.* 9.64*d.* per ton in February, 1891, to 6*s.* 1.96*d.* in March, 1893; and in South Wales the price per ton "f. o. b." was 13*s.* 5*d.* in February, 1891, and 9*s.* 1½*d.* in June, 1893. Wages in the federation districts had remained steady, while in the outside districts they had fallen heavily — 15 per cent on the standard in Durham, 16¼ per cent in Northumberland, 37½ per cent in Fife and 42½ per cent in South Wales. Consequently, on June 30, 1893, the Associated Coal Owners, who included 90 per cent of the owners in the federation districts, gave notice of a reduction of 25 per cent in wages, which was afterwards explained to mean 25 per cent off the standard of 1879, or 18 per cent off present wages. They claimed that just as in good times wages had gone up with prices, so in bad times they should come down. The prices of coal had fallen 35 per cent, and long contracts for gas and railway coal, which powerfully influenced the market, could only be obtained at great reductions. Moreover, the non-federation districts, owing to the fall in wages to which their miners had submitted, were able to secure contracts formerly placed in the Midlands: for example, the Swedish railway contract had gone to Durham from Yorkshire, and London house coal was now largely obtained from the north instead of from the middle of England.

The men, in their reply, denied that the coal trade was as a whole depressed. Certain colliery companies, they asserted, earned high dividends; while the large iron works, whose proprietors ran their own mines, gained in the cheap production of iron what was lost in the nominal value of coal. Where losses occurred they were due to overproduction and reckless

[1] *Daily Chronicle*, July 22, 1893.

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competition. Large contractors were allowed to dictate their own terms, and underselling had become an habitual practice, long denounced by the men. The Yorkshire Miners' Association asserted in their report [1] that a Durham firm had accepted a contract of 280,000 tons of coal for the London gas companies at 2*s.* 6*d.* per ton below what any Yorkshire firm could afford to tender. And while the mine owners were claiming that the average cost of getting coal was 6*s.* 3*d.* per ton, a firm of Yorkshire coal owners wrote to Mr. Pickard, M.P.:

> We vouch for the accuracy of the statement that a large colliery, which is in the association, has sold in one lot upwards of 30,000 tons of coal to a railway company for the ensuing twelve months, delivery at 5*s.* 3*d.* per ton at the pit for 21 cwt. If this is a sample of many others, as we doubt not it is, it explains the present attitude of the masters.[2]

Moreover, the miners alleged that stocks had been allowed to accumulate until at last the best thing that could happen for the owners would be a strike, which would enable them to clear their stocks at famine prices while postponing the fulfillment of their contracts under strike clauses. Reduction in wages would be no cure for such a state of things, but would merely permit the competition to be renewed at a lower level. Mr. Woods, the secretary of the Lancashire Union, declared that there were 80,000 miners in the Midlands not earning at that time 10*s.* a week, and that the average wage per man was 20*s.* a week. Mr. Chambers, the coal owner, on the contrary, put the average weekly wage in a typical Yorkshire colliery at 39*s.* 2*d.* for hewers. The independent investigations of many inquirers during the following weeks proved from the pay tickets of the men, not only that Mr. Woods' figures were substantially correct, but that in the summer wages might run from 9*s.* to 14*s.* per week. Finally, and above all, the men maintained that their current rate of wages represented the minimum at which they could live, and for this reason they refused the offer of the

[1] Quoted in the Report of the Labor Correspondent of the Board of Trade on Strikes and Lockouts for 1891.

[2] *Daily Chronicle*, July 25, 1893.

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Associated Coal Owners to submit the proposed reduction to arbitration.

Since the miners everywhere voted against the reduction, 200,000 of them were locked out on July 28. In Northumberland and Durham the men asked for increases, but on refusal did not strike. In the Midlands 37,000 miners who received no lockout notices were called out by the federation, in order to compel public intervention by widening the area of the dispute. Gradually, however, the leaders came to see the wisdom of sowing dissension among the mine owners, and of not causing the public unnecessary inconvenience; and at the end of September it was agreed that work should be resumed wherever the old terms were conceded. In the non-federation districts there was a burst of great activity in mining, and wages went up all round — 2*s.* a day in the west of Scotland, 10 per cent in the Lothians, 12½ per cent in Fife, 1¼ per cent in South Wales and 5 per cent in Durham. Except for a short period, culminating in a riot at Featherstone, where the military were called out and three men shot, there was little disturbance. Public feeling was touched by the way in which the miners and their families set themselves to starve rather than surrender their hard-won wages. Money soon began to pour in, and the *Daily Chronicle* fund alone amounted to £18,686.

There were numerous efforts at mediation. The masters refused a proposal by the men not to ask for an advance till prices had reached the 1890 level and to coöperate against underselling. The mayors of several large towns suggested a reduction of 10 per cent, and the coal owners agreed to be content with a reduction of 15 per cent. On November 3 and 4 a fruitless conference of representatives of the two sides was held. The owners proposed that the men should return to work at a reduction of 15 per cent, to be banked until a board of conciliation should be formed and should decide on the merits of the dispute. The miners' new terms were that the men should resume work at the old rates until April 1, 1894, after which date wages should be fixed by a board of concili-

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ation, subject to a fixed minimum of 30 per cent above the rates of 1888. A way out of the *impasse* was found by Mr. Gladstone, who on November 13, 1893, on behalf of the government, sent to the two federations an identical letter, which showed both the gravity of the crisis and the impossibility of excluding the community from the settlement of labor disputes. He said:

> It is clear from information which has reached the Board of Trade that much misery and suffering are caused, not only to the families of the men directly involved, but also to many thousands of others, not engaged in mining, whose employment has been adversely affected by the stoppage. The further prolongation of the dispute cannot fail to aggravate this suffering, especially in view of the approach of winter, when the greatly increased price of fuel is likely to cause distress amongst the poorer classes throughout the country. Moreover, the government have little doubt that the effect of the stoppage on industry is rapidly extending and increasing, and that unless an early settlement is effected, lasting, if not permanent, injury may be done to the trade of the country.

Both parties were invited to a conference to be held under the chairmanship of Lord Rosebery, acting not as an arbitrator, but as a mediator. The result was a settlement, on November 17, which was a complete victory for the miners. The old rate of wages was to be restored till February 1, 1894, after which date wage disputes were to be determined by a board of conciliation, consisting of fourteen representatives of either party and a neutral chairman.

No mention of a minimum wage was made in the settlement, and the chairman refused to make it a rule of the board of conciliation; but, on July 17, 1894, a fresh agreement was made, in which the masters, in return for a reduction of wages, accepted the principle that labor was a first charge on production. The terms were:

> (1) That the present rate of wages be reduced as from August 1 next, by taking off the last two advances of 5 per cent each, and that wages remain at that rate until January 1, 1896; (2) that for a period of two years from August 1, 1894, the rate of wages shall not be

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below 30 per cent above the rate of wages of 1888, nor more than 45 per cent above the rate of wages of 1888; (3) that from January 1, 1896, the rate of wages shall be determined by the Conciliation Board within the above-named limits; (4) that the Conciliation Board shall be continued for this purpose for two years from August 1, 1894.

Before the expiry of this period, the coal owners put in a claim for a further reduction of 10 per cent; but at the meeting of the board on July 8, 1896, they merely proposed that the board should be continued "to determine from time to time the rate of wages" without a minimum. The miners, on the other hand, proposed that the board should be continued for two years, and that no advance in wages should be sought for seventeen months. Neither party would give way, and the board went out of existence. The rate of wages has not since been disturbed.

While the English coal owners were conceding the principle of the living wage, the Scotch masters were resisting the efforts of their men to keep in line with the English miners. In the west of Scotland wages in 1888 were 3*s.* 6*d.* per day; in 1889, 6*s.*; in June, 1893, 4*s.*; and during and after the English dispute, 6*s.* The Fifeshire miners had received an increase of 49 per cent in 1887–90, had lost 37½ per cent in 1892–93 and had regained 25 per cent during the English stoppage. The abnormal activity which the Scottish coal trade had enjoyed during the cessation of mining in England died away as work was resumed in the south; and at the close of the usual briskness of the winter trade, the associated coal owners gave notice in May, 1894, of a reduction of 1*s.* per day in the west of Scotland and of 15 per cent (modified to 12½ per cent) in the Fife district. On either side the arguments were much the same as during the English dispute, but the miners were strengthened by their recent union with the English federation. On June 25, 95 per cent of the miners of Scotland struck work. It was expected that the settlement of the English wage question would have some effect in the north; and by the advice of the English leaders the men's terms

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were so modified as to correspond to the federation level of wages. But the coal owners refused all compromise. The battle of the English miners had been won by public opinion without and by harmony within their ranks. Although the Scottish workmen's case was equally strong, public opinion, jaded with the prolonged excitement of 1893, was silent. Moreover, serious dissensions arose among the Scottish leaders, and the federation levies dwindled in consequence of the abusive language used by one or two prominent men in reference to the English miners. The retreat began in the west of Scotland, and, though the eastern men held out till near the end of October, the rout was complete.

The position of the living wage in the mining industry to-day is as follows: lost in Scotland; attained in the federation districts of England; and still opposed by the union leaders in Northumberland, Durham and South Wales, though a strong and growing minority of the men are in favor of the principle. The Northumberland and Durham leaders deny that the fixed rate of wages has been of any advantage to the men; for short time has to be worked while trade is bad, and they claim that in the two northern counties there is a net advantage to the men in working more days per week at a lower wage.[1] It is difficult to get particulars of the actual wages earned in different parts of the country. According to the *Labor Gazette*, the days worked per week in 1895–96 were: in Yorkshire, 4.64; in Lancashire, 4.79; in the Midlands, 4.35; in Durham, 5.24; and in Northumberland, 4.76. The real competition, however, is not between districts, but between mines producing the same class of coal — gas, steam, household, *etc.* — for the same markets, and there is no evidence to show whether difference of wage or convenience of situation is the dominant factor. The federation leaders admit that much time is lost owing to low prices, and fall back on the policy of limitation of output

[1] There is one practical advantage in working short time in periods of bad trade rather than accepting a reduction of wages, for when trade revives full time is resumed automatically, whereas a lowered rate of wage is never restored without a dispute. The strongly organized cotton operatives of Lancashire have always acted on this principle.

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and repression of overcompetition, with a view to keeping up prices. This policy has nothing to do with the "living wage"; for it is most strongly advocated by the South Wales miners working under a sliding scale.

The international regulation of the production of coal was proposed at the International Congress of Miners in 1894, but was withdrawn; at the congress of 1895 a committee was commissioned to draw up a plan and in 1897 the congress adopted a resolution in favor of international regulation of output. The committee of 1895 has never reported, so that the "plan" is still in the air. The South Wales miners, at the congress of 1897, stated that they had secured the assent of eighty per cent of the coal owners to a scheme for the control of the output of each colliery by a committee, but a few weeks afterwards the scheme broke down.[1]

Combinations between employers and employed are not unknown in British industry: examples are found in the staple trades of Birmingham and the Yorkshire dyeing trade. It is sufficient to note that these alliances of producers against consumers generally bring about an increase in prices; and if such a combination in the coal industry became probable, it seems likely that the nation would prefer nationalization of mines to a private monopoly.

IV.

The changes brought about by the introduction of machinery into an industry have given rise to many economic controversies and trade disputes. Although the community and even the workers in the trade ultimately benefit, the immediate result is the displacement of highly paid, highly skilled artisans by machine tenders with less skill working at lower wages. The

[1] Sir George Eliot, a very eminent coal owner, had already in 1893 advocated the amalgamation of all existing ownerships into a trust, which should pay a minimum of 10 per cent, with a legal maximum of 15 per cent interest and a liberal increase of wages. For the success of his scheme he reckoned on the scientific treatment of mining areas, the suppression of competition and the maintenance of the average pit-head price at 7*s*. 3*d*. per ton — a price which has not been maintained for some years. His plan, however, met with no acceptance.

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living wage previously paid is swept away, and a lower standard of remuneration is established. John Stuart Mill wrote:

> Since improvements which do not diminish employment on the whole almost always throw some particular class of laborers out of it, there cannot be a more legitimate object of the legislator's care than the interests of those who are thus sacrificed to the gains of their fellow-citizens and of posterity.[1]

In practice, however, the interests of the workmen have been left entirely to the guardianship of the unions. At first the men stood on their "vested interests" — so sacred in property questions — and maintained that their condition should never be interfered with for the worse under any circumstances; but this old feeling of hostility to machinery has passed away. They now recognize the desirability of introducing machinery wherever possible, insisting only that manufacturers shall be satisfied with the extra profit arising from diminished cost and increased demand, and shall not seek to lower the standard of life as well. To this the employers reply that the labor used with machinery is less skilled, less valuable and therefore deserving of less pay. On this broad principle there have been great industrial battles in the bootmaking and engineering industries.

The machine manufacture of boots and shoes dates only from the early fifties, and since 1880 the invention of new improvements has gone on very rapidly. In the summer of 1892, after a short stoppage, the operatives secured a 54 hours week and a minimum wage of 26*s*. for clickers and 22*s*. for pressmen. Local boards of arbitration with independent umpires were appointed to deal with all matters of dispute, and an annual conference of the executives of the federated associations of employers and the National Union of Boot and Shoe Operatives was arranged to settle questions affecting the whole trade. For two years this system worked fairly well, though frequent disputes arose out of the detailed classification of work and changes of fashion, and much bitterness was caused by infractions of the umpire's decisions by both sides.

[1] Political Economy, bk. i, ch. vi, § 3.

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In November, 1894, the federated manufacturers submitted to the operatives' union the following propositions: no change in the present rate of wages for two years; piece work not to be introduced at present in connection with lasting and finishing machinery, and when introduced, the wage list to be based on time wages; every employer to have full control over his factory; no interference with output; work to be done in any town or place that the employer pleases; every employer to employ what men he chooses. Having presented this ultimatum, the employers withdrew from the national board and demanded that the principles laid down should be recognized in all discussions before the local boards. In the opinion of the men the proposed rules meant that for two years the employers would secure all the profit of new machinery, that the changes brought about by lasting and finishing machinery were to be ignored, and that formal recognition was to be given to the practices of sending work into low-paid country districts and fixing the rate of wages on new work according to the output of extra quick "pacemakers," to the detriment of the average worker.

Accordingly, the employees promptly rejected the new rules and proposed the submission of the wages of machine workers to an impartial tribunal. The employers refused a conference, because it meant "the implied surrender of our just rights as manufacturers," and the dispute came to a head with a strike followed by a lockout in March, 1895, involving 46,000 operatives. For some time the manufacturers stood firm for their right to "control" their own factories, and paraded the men's offenses against the arbitrators' decisions; but the force of public opinion was with the employees, and the stoppage was concluded in April by a conference summoned by Sir C. Boyle, permanent secretary to the Board of Trade.

The chief points of the settlement were these: joint committees to be appointed (with umpires, if necessary) to prepare piece-work statements for lasting and finishing machine workers, "to be based on the average capacity of an average workman"; local boards of arbitration to be established with "full power to settle all questions submitted to them concerning wages,

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hours of labor and the conditions of employment of all classes of work people represented thereon within their districts"; "no actual work shall be sent out of a district which has been the subject of an award in that district"; no restriction on machinery or output; strikes and lockouts to be forbidden; financial guarantees to be provided for the due observance of the agreement. Under this arrangement new minimum rates of wages, carrying an advance of 2*s*. a week, and new piece-work statements were fixed in the main centres of the industry. In fact, the boot and shoe industry is now governed by minimum wage lists guaranteed by a trade agreement. Provision is made for changes in manufacture, an important rule for the basis of piece-work wages is established, and the competition of the low-paid, badly organized country districts is limited. In this way three of the chief weapons for attacking the standard of life have been blunted by assertion of the public right to interfere between employer and employed.

In a skilled trade like engineering, where wages as a rule run high, there is more elasticity in the idea of a living wage and more willingness to accept a reduction when bad times make it inevitable. One of the most constant forms of trade-union activity in such an industry is effort to raise the minimum wage in backward districts to the level of the better-organized centres, in order to prevent the transference of employment and the consequent lowering of the standard of life. A dispute on the Clyde in August, 1895, which after a few weeks ended in the increase of Glasgow rates to the Greenock level, was noteworthy for the introduction of the "sympathetic lockout" by the employers. After the concession was made the men were locked out in order to compel the Belfast engineers, who had struck for a restoration of wages to the rates existing before the reductions in 1892–93, to return to work. This policy embittered the relations between masters and men and has had a very serious influence on subsequent disputes. Ultimately, the stoppage was concluded at the end of January, 1896, with a partial concession to the Belfast men.

The losses experienced by the men in 1893–94 were made

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good in 1895–96 and, the revival of trade continuing, demands for a further rise in wages of 2*s.* and a reduction in time of one hour per week were generally successful. At the same time the machine question also became acute. According to a managing engineer on the Tyne,[1]

> a fitter in 1873 stood, in relation to machine labor, as one to one on common engines. In 1882 he stood, in relation to machine labor, as 1 to 2.31 on compound engines. In 1873, to produce 2260 N. H. P., his firm employed an average of 1022 men, and in 1882, to produce 5868 N. H. P., they employed only 1351 men.

Since 1882 the importance of the skilled workman has still further diminished, the employment of laborers on machines has increased and the fight for a high standard of life has become more imminent. The report of the general secretary to the Amalgamated Society of Engineers for 1897 refers to a three months' strike at Earle's, Hull, concluded in December, 1896,

> where our members, after a strike maintained with a pertinacity beyond all praise, have forced recognition of the principle that machines which supersede hand-skilled labor should be manipulated by skilled and full-paid men. We commend this to the attention of other districts, in some of which great laxity has been the rule, and where insidious encroachments have been made to our detriment.

At Barrow and on the Clyde discontent was rife, but the crisis was reached in February, 1897, with a strike at Sunderland against the employment of an unskilled man on a horizontal boring lathe. The employers' federation forwarded to the union a long list of complaints concerning such interference, overtime, *etc.*, and proposed a conference conditional upon the men returning to work; otherwise they threatened a lockout. After negotiations which several times threatened to fail, two conferences were held in April, at which rules were laid down respecting overtime, trial trips, *etc.*, but no arrangement could be made regarding the machine. Mr. Barnes, the secretary of the men's society, said in his report for April, 1897:

[1] Quoted in *The Amalgamated Engineers' Monthly Journal*, May, 1897, p. 53.

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The employers' position, briefly put, is somewhat as follows: (1) they provide the machine and, therefore, have a right to choose the man to work it; (2) in so doing they have no desire to encroach on the work of skilled mechanics; (3) the retention of the trade of the country demands that such machines should be tended and developed to their fullest extent by specialists at rates of wages lower than those of the skilled mechanic. To which we reply (1) that we have an interest in the trade and a property in our skill which would be rendered comparatively useless by the specialization as suggested; (2) that it is really a question of wages; (3) that we are not averse to machinery, but, on the contrary, and subject only to the safeguarding of our interests, are willing to assist in its development to the fullest capacity. . . . The whole question from our point of view is really one of wages.

Again, in his report for May, 1897, he said:

Briefly put, our position is that your interests in the trade should be safeguarded by provision being made for the payment of standard rates of wages at machines which displaced hand labor.

At the final conference the men made the following proposals: (1) local joint committees of employers and employed to be established, "with an independent person from the Board of Trade to act, if need be, as referee"; (2) disputes as to machine wages to be referred to the local committee; (3) "this committee, after examination and investigation, shall fix the rate of wages to be paid, which shall be greater or less than that paid to fitters and turners, having regard to the class of machine and the quality of the work"; (4) all changes likely to lead to dispute to be submitted first to the joint committee. This scheme, although it was essentially the same as the arrangement made in the boot and shoe industry, was rejected by the employers' federation, on the ground that the joint committees would supersede the federation and that "your proposals introduce the principle of allowing outside arbitration to take control of the management of our works. This we cannot concede." In this deadlock the question remains, and it has been overshadowed for the time being by the great fight for the eight hours day. At Belfast and some other centres, however, fully paid and skilled men have been placed on the disputed machines.

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V.

Wages and hours of labor bear the most intimate relation to each other. During the period that we have been considering there has been a general movement in favor of shorter hours, notably in the building, railway, mining and engineering industries, but it has been far too extensive and important to be dealt with here. With respect to one matter, however, — overtime, — the connection of hours and wages has a special relation to the present subject. The charge has often been brought — and with a large amount of truth — that the shorter working day has been made the pretext for more overtime; but the tendency now is to surrender the extra earnings, in consideration of the increased civic efficiency arising from the shorter working week and the more equal distribution of employment. In some trades — for example, the compositors' — a large amount of overtime is worked, and at the same time there are a large number of men unemployed, who constitute a severe drain on the resources of the trade societies, and by their competition in the labor market are a standing danger to the established rates of wages. Where this is the case, the men in work indirectly contribute to their own wages: they pay some one not to compete.

The crusade against overtime takes two forms: (1) the establishment of specially high rates, to penalize the practice by making it unprofitable; (2) the establishment of trade rules fixing the maximum amount of overtime. The former method, which is the more common, we find adopted in the building industry and among railway men. Examples of the latter are to be found in the engineering trade and in the code of rules for Clyde joiners, which, as arranged by arbitration in 1894, after a five months' dispute, fixed the maximum week's overtime at 20 hours, to be paid for at the rate of time and a half. Persistent agitation by the engineers of the Tyne for a further reduction of overtime resulted, in April, 1897, in an agreement by which the maximum was fixed at 32 hours per month where a 54 hours week is worked, and 36 hours where the week consists of 53 hours.

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VI.

Not the least important sign of the growth of public opinion in favor of high wages has been the gradual change in the attitude of the government to the labor which it directly or indirectly employs. After six years of constant agitation by the trade unions, the government of the day were forced — largely by the indignation caused by the disclosures of state sweating before the Lords' Committee on Sweating — to accept a resolution brought before the House of Commons by Mr. Sydney Buxton on February 13, 1891, declaring that

> it is the duty of the government in all government contracts . . . to make every effort to secure the payment of the rate of wages generally accepted as current for a competent workman in his trade.

The object of this resolution was not that the government should fix a rate of wages, but that they should recognize the prevailing rates. The trade unions immediately insisted that the resolution should be interpreted as referring to "the usual trade-union rates and conditions of labor"; and, as in every well-organized industry these are settled by negotiation between the unions and the employers, they were recognized by the government. Repeated complaints by the trade unions throughout 1893–96 of breaches of this resolution, especially in the Admiralty and printing contracts, led to the appointment of a Select Committee of the House of Commons. In July, 1897, it reported in effect that the departments had enforced the resolution of February, 1891, but that there were many defects of administration and not much confidence in the public authorities. One important result was noted in the words:

> It seems probable that it [the resolution] has done something to promote agreements between masters and men, in reference to the rate of wages and conditions of employment.

The same policy of insisting on fair wages in contracts has been very widely adopted by local authorities. Between 1889 and 1894, 150 public bodies followed the example set by the London School Board and County Council, and now almost

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every local authority of importance adopts some form of "fair-wages clause."

On March 6, 1893, Mr. Campbell-Bannerman, as spokesman of the government in the House of Commons, said:

> I accept in the fullest sense the principle that the terms of government employment should be beyond reproach. . . . We have ceased to believe in what are known as competition or starvation wages.

Shortly after that speech the wages of unskilled laborers in the employ of the War Office and Admiralty — at the arsenals, victualing yards, *etc.* — were raised to minima of 19*s.* and 19*s.* 6*d.* for 48 hours. At that same time the London County Council were paying for a 48 hours week the 24*s.* which the dock strike had created as a "moral minimum," while Mr. Charles Booth had established the "chronic poverty line" for London as being 21*s.* per week. The official apologists for the lower government rates referred to the advantages of state service — steady employment, holidays, sick pay after three years' service and a gratuity on retirement. The under-secretary of state for war in 1896 reckoned these extras as equivalent to 6*d.* per week, and in 1897 raised his estimate to 1*s.*, but confessed that even then the wage was below what was currently paid by private employers. From August, 1897, the pay for unskilled laborers under the War Office was to be 21*s.*, equivalent to 22*s.*

The attitude of the government leads again to a consideration of the relations of wages to other components of the standard of life. As was said at the beginning, high wages cannot compensate for bad conditions of employment; but neither can wages be reduced indefinitely as conditions are improved. At the time the War Office was paying its laborers at Woolwich 19*s.* 6*d.* for 48 hours, the Woolwich Local Board was paying 24*s.* for 53 hours, and the latter was undoubtedly the better wage. In reckoning the grade which the standard of life of a particular class has reached, we cannot take the gross total of the advantages represented by wages, hours and the other

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components A certain minimum must be attained in each, and a surplus in one category cannot be set off against a deficiency in another.

VII.

We can now summarize the advances made in the last ten years. In the early eighties the working classes were divided into three groups: (1) those whose wages were governed entirely by the law of supply and demand applied to the labor market; (2) those whose wages were determined in some fixed ratio to the price of the product; and (3) an aristocracy of labor whose organization was so powerful and whose strategic position in the labor market, owing to the possession of special skill, was so strong that they were able to command a high rate of wages and to utilize the fluctuations of trade to their advantage. The great depression of 1886–87 coincided with an outburst of enthusiasm for social reform and economic inquiry, and the first great achievement of the new spirit was to determine, almost by popular acclamation, that wages should be independent of competition in the labor market.

The next point to be fought for was the principle that wages should not depend upon prices. As competition among workmen had been set aside, so competition among employers, with its trade-disorganizing results, has since the coal war ceased to be recognized as a reason for reduction of wages. Practically, public opinion now concedes that wages should be a first charge on production.

The question of a living wage does not appeal directly to those workmen whose remuneration is high enough to enable them to dispense with care for the minimum limit of comfort. Their principal aim is to bring the backward districts up to the same wage level as the better-organized centres, and to protect the standard of life from attacks by machinery and from the pressure of the unemployed. The regulation of overtime and of machine labor are their burning questions, and the method of settlement will be found in the establishment of joint committees of employers and employees with independent umpires.

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The minimum living wage must in any case be fixed by the workmen; and experience shows that public opinion will back up the workers. The claim constantly put forward by employers, that they have the right to manage their own businesses without outside interference, has been in every case set at naught; and the contrary principle has been established, that the community is entitled to intervene in any dispute between capital and labor. So far Parliament has interfered indirectly on behalf of the nation only — by "Truck Acts" and "Particulars Clauses." The new Compensation for Accidents Act, however, will raise the value of wages, as would an old-age pension scheme; and it is on the lines of such measures that action by the legislature is to be expected.

HENRY W. MACROSTY.

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DIRECT AND INDIRECT TAXES IN ECONOMIC LITERATURE.

I.

THE distinction between direct and indirect taxes seems to have originated in relatively modern times. In classical antiquity no trace of such a distinction can be discovered, while in mediæval and modern Europe the terms are first found in a work written during the last half of the sixteenth century.[1]

The Greeks, like all other peoples, had various words that meant impost or tax; but no trace can be found of any usage that resembles our expressions direct and indirect taxes.[2] The most common word for a tax, τέλος, was used at Athens for all the ordinary imposts,[3] some of which we should call direct, such as the personal tax upon the *metics*, while others would now be styled indirect, as the customs and market duties. A second word, φόρος, denoted primarily tribute from subject states.[4] The Athenians generally would not use this word for their own taxes.[5] In place of this hated term they often used

[1] On the history of these terms see Roscher, Finanzwissenschaft, § 37, note 4 (Stuttgart, 1886); Neumann, Die Steuer, pp. 417 *et seq.* (Leipzig, 1887); also in *Jahrbuch für Gesetzgebung, Verwaltung und Volkswirthschaft*, VI, 955 *et seq.*; *Handwörterbuch der Staatswissenschaften*, VI, 96 *et seq.* (Jena, 1890–95); Förstemann, Die direkten und indirekten Steuern (Nordhausen, 1868).

[2] *Cf.* Förstemann, pp. 1, 2.

[3] Gilbert, *Handbuch der griechischen Staatsalterthümer*, I, 331 (Leipzig, 1881), says: "Die Hauptquelle der ordentlichen direkten Einnahmen bildeten die τέλη, eine Bezeichnung, welche die Zölle und Steuern umfasst." Plato, Laws, viii, 11 [847], uses τέλος for export or import duties, as follows: τέλος δὲ ἐν τῇ πόλει μηδένα μηδὲν τελεῖν μήτε ἐξαγομένων χρημάτων μήτε εἰσαγομένων. Aristotle, Politics, v, 11, uses ἡ εἰσφορὰ τῶν τελῶν for taxes in general.

[4] Gilbert, I, 393, 394. See Thucydides, i, 96: καὶ Ἑλληνοταμίαι τότε πρῶτον Ἀθηναίοις κατέστη ἀρχή, οἳ ἐδέχοντο τὸν φόρον. οὕτω γὰρ ὠνομάσθη τῶν χρημάτων ἡ φορά.

[5] Yet Demosthenes, Against Aristogeiton, i, 21 [776, 9]: φέροντα τὴν τῆς σωτηρίας φορὰν πλήρη τῇ πατρίδι.

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euphemistically the word *σύνταξις*.[1] But the common word for the extraordinary property tax at Athens was *εἰσφορά*.[2] This impost was levied reluctantly, and usually for war purposes solely. Thus it appears that the only distinction between these various words is that *τέλος* was the common word for the ordinary taxes, *φόρος* generally meant tribute and *εἰσφορά* denoted the extraordinary property tax.

In Roman usage the case is similar.[3] *Vectigal* was originally used to denote all dues and imposts gathered from lands or domains in the possession of the state: that is, tithes from cultivators of public lands, port dues, *etc.* Thus it was contrasted with *tributum civium Romanorum*, the property tax collected from the possessions of citizens.[4] Gradually the term *vectigal* broadened until it became the common word for a tax of any sort.[5] The *tributum civium Romanorum*, or *tributum*, was originally the extraordinary property tax levied upon Roman citizens.[6] Then in the provinces the *tributum soli*, or land tax, and *tributum capitis*, or poll tax, were imposed as the principal taxes.[7] When Diocletian extended the provincial *tributum* to the lands of Italy, *tributum* came to mean strictly the imperial land tax.[8] Yet the word was sometimes used for other taxes besides those enumerated above.[9] The absence of any single term for expressing the difference in the incidence of direct and indirect taxes is well shown in the familiar passage in which Tacitus describes the effects of the remission of the old tax,

[1] See Harpocration, *σύνταξις*. Also Demosthenes, On the Crown, 234 [305, 16 and 17]: *χρημάτων δὲ σύνταξιν εἰς πέντε καὶ τετταράκοντα τάλαντα. Cf.* Demosthenes, On the Peace, 13 [60, 11].

[2] See Gilbert, I, 345 *et seq.* Thucydides, iii, 19, says: *αὐτοὶ ἐσενεγκόντες τότε πρῶτον ἐσφορὰν διακόσια τάλαντα.* See Xenophon, Oeconomicus, ii, 6.

[3] *Cf.* Förstemann, p. 2.

[4] Marquardt, Römische Staatsverwaltung, II, 155, 156 (Leipzig, 1876).

[5] Thus we may mention the tax on sales, *vectigal rerum venalium.* See Marquardt, II, 269. Cicero uses the term for the land tax. *De Lege Agraria*, ii, 21, 57: "*agro pergrande vectigal imponitur*"; also *Brutus*, 36, 136: "*agrum publicum vitiosa et inutili lege vectigali levavit.*"

[6] Marquardt, II, 157. For original references see Livy, xxiii, 31, 1, and 48, 8.

[7] Marquardt, II, 178, 179, 191 *et seq.* [8] *Ibid.*, 217 *et seq.*

[9] Thus Pliny, Panegyricus, 37, says of the inheritance tax: "*vicesima reperta est, tributum tolerabile.*"

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formerly paid by the purchaser, of four per cent upon sales of slaves. Tacitus shows that the remission was merely nominal; since at that time the seller was taxed, and the tax formed part of the price which had to be paid by the buyer.[1]

In the literature of the Middle Ages we cannot expect to find contributions to the doctrine of taxation. For a large part of this period there was a dearth of writings upon economic subjects. Then the schoolmen began to discuss such matters as fair price and usury, but had very little to say upon financial subjects.[2] The few other writers of the thirteenth and fourteenth centuries whose works possess anything of financial interest merely touched upon questions of public expenditures, the management of domains, the farming of taxes and the like. In point of fact, financial problems were as yet seldom of sufficient importance to attract much attention from scholars.[3]

In the fifteenth and sixteenth centuries, in Italy, and especially at Florence, such writers as Ghetti, Carafa, Savonarola, Guicciardini, Matteo Palmieri and others discussed financial topics more thoroughly.[4] But it was in France that the germ of the distinction between direct and indirect taxes was first developed. Jean Bodin,[5] in 1579, used the words, "*payer les*

[1] Tacitus, Annals, 13, 31: "*Vectigal quoque quintae et vicesimae venalium mancipiorum remissum, specie magis quam vi, quia cum venditor pendere juberetur, in partem pretii emptoribus accrescebat.*"

[2] Upon the schoolmen in general, see Cossa, Introduction to the Study of Political Economy, pp. 138–148 (London, 1893); Roscher, Geschichte der Nationalökonomie in Deutschland, pp. 1–31 (München, 1874); Ricca-Salerno, Storia delle dottrine finanziarie in Italia, pp. 38 *et seq.* (Palermo, 1896). St. Thomas Aquinas may represent the views of the scholastics on taxes. See Baumann, Die Staatslehre des Thomas von Aquino, pp. 97–99 (Leipzig, 1873); Jourdain, Philosophie de Saint Thomas d'Aquin, I, 429, 430 (Paris 1858); Palgrave, Dictionary of Political Economy, I, 49 (London, 1894); Littlejohn, The Political Theory of the Schoolmen, pp. 184, 185 (New York, 1896); Brants, Esquisse des théories économiques professées par les écrivains des XIIIme et XIVme siècles (Louvain, 1895).

[3] Cossa, pp. 148–150; Ricca-Salerno, pp. 44–57.

[4] Cossa, pp. 156–160; Ricca-Salerno, pp. 47–54, 57–82.

[5] Les six livres de la république, p. 930 (Paris, 1579): translated into German (Mümpelgart, 1592); into English by Richard Knolles (London, 1606); into Latin (1586), as well as into other languages. On the character and influence of

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tailles et autres imposts directement ou indirectement." It was, however, merely an incidental expression, applicable to nearly all taxes, which Bodin never thought of making the basis for a classification. This is apparent from his classification of public revenues, as follows: (1) from domains; (2) from confiscations; (3) from gifts; (4) from tributes; (5) from trade; (6) from tolls and customs, which he regards as paid by foreigners; (7) from taxes upon subjects. This seventh branch of revenue is again subdivided into: (1) extraordinary; (2) ordinary; (3) casual.[1] Although Bodin's work had a very great influence in Europe, his casual use of the phrase "to pay taxes directly or indirectly" made little or no impression upon subsequent writers, most of whom did not adopt it.

Giovanni Botero,[2] writing under the influence of Bodin's ideas, does not make use of this suggestion. He divides public revenues into extraordinary and ordinary. The former arise from escheats, fines, confiscations, *etc.*; while the latter are derived from the products of the soil or of human industry. These ordinary revenues may be either immediate or mediate, the first division including incomes derived from the lands of the prince, the second comprising incomes derived from subjects. Christoph Besold[3] favored what modern writers would call indirect taxes, holding that they are paid more easily than direct imposts; but he does not seem to utilize the suggestion of Bodin. The same is true of Antoine de Montchétien,[4] who, however, discussed taxation merely incidentally. But the case is different with a number of other writers. Keckerman,[5] in

this work see H. Hallam, Introduction to the Literature of Europe, II, 204–230 (London, 1837). Roscher, Förstemann and Neumann have been unable to trace the expression further back than this work.

[1] See bk. vi, ch. ii. *Cf.* Hallam, Literature of Europe, II, 226, 227. Hallam is mistaken in thinking that Bodin grouped excises with customs, and included only modern "direct taxes" under the seventh head.

[2] Della Ragione di stato (Venice, 1589). *Cf.* Ricca-Salerno, pp. 133, 134.

[3] Discursus de aerario politico (Tübingen, 1620). *Cf.* Roscher, Geschichte der Nationalökonomie in Deutschland, pp. 195–205.

[4] Traicté de l'économie politique (1615). Edited by Funck-Brentano (Paris, 1889).

[5] Systema disciplinae politicae (1607). *Cf.* Roscher, Finanzwissenschaft, § 37, note 4.

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1607, wrote that indirect taxes are those which a state receives through artifices that it tolerates — as, for instance, public lotteries. Such authors as Lather, Faust and Klock,[1] in whose work the influence of Bodin may be seen, speak of payments "*per obliquum et indirectum.*"[2]

Yet it is certain that, until the time of the Physiocrats, these vague expressions suggested to no one a new basis for a scientific classification of taxes;[3] while some writers did not use them at all. Thus Pufendorff,[4] who discussed taxes and argued that such imposts as customs duties are paid more readily since they are concealed in the prices of commodities, gives us no classification, and does not use the terms directly and indirectly. On the other hand, Seckendorff[5] wrote:

> ... When taxes are not paid to the government immediately out of the purse of every subject, but a certain penny or share of the price is levied upon liquor, meat, salt, grain and similar objects of common use.

But such terms are not found in Broggia,[6] who formulated an elaborate plan for a system of taxes, composed of (1) a land tax, (2) a tax on manufactured articles and upon fixed incomes, (3) imposts upon internal consumption and

[1] Lather, De censu, tractatus nomico-politicus (Frankfurt, 1618); Faust, Consilia pro aerario (Frankfurt, 1641); Klock, Tractatus nomico-politicus de contributionibus (Nürnberg, 1634), Tractatus de aerario (Nürnberg, 1651). See Roscher, Geschichte der Nationalökonomie in Deutschland, pp. 165–167, 207–218.

[2] This statement is made upon the authority of Neumann, Die Steuer, p. 418. Of the works mentioned the writer has been able to secure only Klock's Tractatus de contributionibus.

[3] In Germany, at least, such a classification would have been hindered, at that time, by the fact that various terms were applied to the different kinds of taxes, and no single word was used comprehensively to denote all forms of public imposts. Up to the close of the eighteenth century the word "Steuer" meant what we would now call a direct tax. *Cf.* Neumann, pp. 419, 420; Förstemann, pp. 3, 4.

[4] De jure naturae et gentium (1672). Translated into English by B. Kennett (London, 1729). Bk. vii, ch. iv, § 7; bk. viii, ch. v, §§ 4–6. *Cf.* Roscher, Geschichte der Nationalökonomie, pp. 316–318.

[5] Teutscher Fürstenstaat (Frankfurt, 1656), part iii, ch. viii, § 3. *Cf.* Roscher, Geschichte der Nationalökonomie, p. 251.

[6] Trattato dei tributi (Naples, 1743). Contained in Scrittori classici Italiani, edited by Custodi, vol. iv (Milan, 1804). See chs. ii, iv.

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(4) customs duties;[1] nor are they used by Pascoli and Bandini.[2] A similar expression,[3] however, occurs in the following passage from Montesquieu:[4] "L'impôt par tête est plus naturel à la servitude; l'impôt sur les marchandises est plus naturel à la liberté, parce qu'il se rapporte d'une manière moins directe à la personne." But, as Förstemann[5] has noticed, this seems to refer rather to differences in the legal relations of the taxpayers to the state in the two cases.[6] In any event, no idea concerning the shifting of taxes influenced Montesquieu's classification of imposts, which was: (1) taxes on persons; (2) taxes on land; (3) taxes on commodities.[7]

II.

This brings us to the Physiocrats, who first formulated a scientific classification of taxes as direct and indirect, and gave these terms a definite place in economic terminology. The founder of the school, François Quesnay, developed the familiar Physiocratic doctrine of taxation in 1758. Holding that all imposts ultimately fall upon the "*produit net*" of the earth, he declared that taxes can be most cheaply and easily collected directly from the land. Therefore he called all taxes indirect except that upon land, and advocated "*l'impôt unique et direct*" upon the net product of the soil.[8] It is not necessary

[1] *Cf.* Ricca-Salerno, pp. 228–234.

[2] L. Pascoli, Testamento politico (Perugia, 1733). *Cf.* Ricca-Salerno, pp. 217–222. S. Bandini, Discorso economico (1737, published at Florence, 1775).

[3] Neumann, p. 419, quotes from Boisguillebert and Vauban such passages as "*passer immédiatement de la main du peuple en celle du roi*," *etc.* See Boisguillebert, Detail de la France (1695); Factum de la France (1706). Edited by E. Daire (Paris, 1851), pp. 237, 238, 266. But these expressions seem to refer to the costs of collection, as is apparent from the expression used on p. 238.

[4] L'esprit des lois (Geneva, 1748), bk. xiii, ch. xiv.

[5] *Op. cit.*, p. 7.

[6] In the same chapter Montesquieu explains that taxes on commodities are advanced by the merchant but really paid by the purchaser. He does not use the words directly or indirectly in this connection.

[7] L'esprit des lois, bk. xiii, ch. vii.

[8] The works of Quesnay in question are: Tableau économique (1758); Second problème économique (1767). These are contained in E. Daire's Physiocrates

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to follow this distinction of direct and indirect taxes through the works of all of the Physiocrats.[1] Turgot, however, may be mentioned briefly. He differed in some points from the other members of the school, although he held to their central doctrines. His use of the distinction between direct and indirect taxes is not always uniform. Sometimes he says that all taxes fall directly or indirectly upon the proprietors of land, and seems to regard the land tax as the only direct tax.[2] But elsewhere he says that there are three possible forms of taxes: (1) direct upon land; (2) direct upon persons; (3) indidirect upon consumption.[3] Here he seems to have in mind the idea, suggested by Bodin, that some taxes are paid immediately or directly, while others are paid by other persons than the one who first advances the tax. With this notion he combines the classification of taxes formulated by Montesquieu. But he proceeds to discuss direct taxes[4] at some length, and explains that taxes on persons, so far as they fall upon any kind of income except that derived from land, are really indirect imposts. Thus his position is not inconsistent with the doctrines of Quesnay.

Various circumstances contributed to stimulate the discussion, started by the Physiocrats, concerning the relative merits of direct and indirect taxation. In the Constituent Assembly such questions were debated, and Physiocratic ideas exercised a demonstrable influence, especially in the reform of the land tax.[5] In January, 1790, an *instruction*, issued by the Assembly, defined a direct tax as follows:

(Paris, 1846) and Oncken's Œuvres de F. Quesnay (Paris, 1888). The passages referred to may be found on pp. 61, 83, 127–143 of Daire's edition and on pp. 312, 332, 696–718 of Oncken's edition. *Cf.* Henry Higgs, The Physiocrats, pp. 43, 44 (London, 1897).

[1] The most important citations are: Mirabeau, Théorie de l'impôt (1760); Dupont de Nemours, Origine et progrès d'une science nouvelle (1767); Mercier de la Rivière, L'ordre naturel et essentiel des sociétés politiques (1767). See Daire's Physiocrates, pp. 351–358, 474–524.

[2] Œuvres de Turgot, I, 409, 416, edited by E. Daire (2d ed., Paris, 1844).

[3] *Ibid.*, I, 394.

[4] *Ibid.*, I, 396.

[5] See R. Stourm, Les Finances de l'ancien régime et de la revolution, I, 136–143, 295–302 (Paris, 1885).

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Toute imposition foncière ou personelle, c'est-à-dire assise directement sur les fonds de terre ou assise directement sur les personnes, qui se lève par les voies du cadastre ou des rôles de cotisations, et qui passe immédiatement du contribuable cotisé au percepteur. . . .[1]

This definition resembles the one formulated by Turgot, but contains an additional element — namely, the reference to the *cadastres*, or assessment rolls, by which direct taxes may be levied. This suggested an administrative basis for classifying direct and indirect taxes, which has been much favored by subsequent French economists and has become fixed in French public law.[2] The same idea was further developed in the *Code des Contributions* of 1811.[3] Direct taxes were there declared to be those raised "*par des rôles où les contribuables sont nominativement cotisés*"; while indirect were those collected "*en vertu des tarifs, sans dénomination de personnes.*" The terms introduced by the Physiocrats lived on after their doctrines of taxation had been rejected.

Of French writers on economic science, Canard[4] may have been the first to formulate a new basis for the distinction of direct and indirect taxes, after Physiocratic doctrines had failed to gain acceptance. He held a tax to be direct when it reached the sources of an individual's income, as the income from land or from industry; while taxes collected from consumers, or from merchandise on the way to consumers, were indirect. A few years later J. B. Say[5] made a similar distinction, defining direct taxes as those demanded from an individual's real or supposed income, while indirect are demanded on each act of consumption of certain specified objects. In 1808 Montyon[6]

[1] M. Block, Dictionnaire de l'administration française, p. 636 (2d ed., Paris, 1881).

[2] *Cf.* the present classification in "*L'instruction generale.*" Say, Dictionnaire d'économie politique, II, 25 (Paris, 1892).

[3] Handwörterbuch der Staatswissenschaften, VI, 97 (Jena, 1894); Neumann, p. 431.

[4] Principes d'économie politique, p. 154 (Paris, 1801).

[5] Traité d'économie politique (1803). 1st Amer. ed., II, 268 (Boston, 1821).

[6] J. B. R. A. Montyon, Quelle influence ont les diverses espèces d'impôts? (Paris, 1808). Contained in Mélanges d'économie politique, II, 365–496 (Paris, 1848).

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offered a similar definition, and the phrases direct and indirect taxes may then be said to have found a place in French economic terminology.

Through the influence of the Physiocrats the distinction of direct and indirect taxes came into general use in Italy, England and Germany. It is found in the writings of the Italian economist, Gaetano Filangieri,[1] who accepted many of the Physiocratic doctrines. He formally classified taxes as direct and indirect, and favored the single tax. Yet the terms were not used by Beccaria,[2] who discussed taxation incidentally, or by Verri.[3] The last-named writer treated at length the shifting of taxation, holding that taxes tend to diffuse themselves among all citizens in proportion to consumption. Occasionally he speaks of taxes falling "immediately" upon subjects, but he does not classify taxes as direct and indirect. Giuseppe Palmieri,[4] however, borrowed these terms from the Physiocrats, although he did not accept their doctrine that the single tax on land was the only proper form of taxation. Galanti,[5] who preferred the land tax to other imposts, but not as the only form of taxation, used the distinction; and the same is true of Di Gennaro,[6] who accepted the entire doctrine of the Physiocrats on this subject. The distinction occurs also in a work published at Naples in 1792.[7] After this date the terms direct and indirect taxes may be regarded as well established in Italian economic literature,[8] although the general rejection of

[1] Delle leggi politiche ed economiche (1780). Reprinted in Economisti classici, edited by Custodi (Milan, 1804). See pp. 324–358.

[2] Elementi di economia pubblica (1769). Reprinted by Custodi (Milan, 1804). See I, 21, 22, 278, 279, 285.

[3] Meditazioni sulla economia politica (1771). Reprinted by Custodi (Milan, 1804). See chs. xxx, xxxi.

[4] Riflessioni sulla pubblica felicità (1788). Reprinted by Custodi (Milan, 1805). See I, 212, 213; II, 149, 150.

[5] Discrizione delle stato antico ed attuale del Contado di Molise (Naples, 1781). Quoted by Fornari, Delle teorie economiche nelle provincie Napolitane, p. 413 (Milan, 1888).

[6] Piano per la riforma dei titoli dei legislazione relativi al tributo (Naples, 1792). Quoted by Fornari, Delle teorie economiche, p. 409.

[7] Esame critico delle due anonime operette. See Ricca-Salerno, p. 435.

[8] Thus they are used by Azzariti-Stella, in De mali e rimedi politici (Naples, 1806). See Fornari, Delle teorie economiche, p. 573.

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the Physiocratic doctrines had left no scientific basis for such a distinction. In 1813 Cagnazzi, the popularizer of Smith and Say, classified taxes as direct and indirect, in a manner which suggests the definitions formulated by Canard and Say. He called those taxes direct which are levied in proportion to income, and fall directly upon some source of wealth, such as land and industry; while he considered indirect taxes to be those which are levied upon the circulation or consumption of wealth.[1]

In Germany, Quesnay had a number of followers who advocated his doctrine of taxation.[2] Naturally writers of such tendencies used the terms direct and indirect taxes. Schlettwein may be cited as one of these.[3] But some economists, who did not accept the tenets of the Physiocratic school, made no use of this distinction: Lith, von Thiele and Fischer are cases in point.[4] J. H. von Justi, in a work[5] written prior to the publication of Quesnay's *Tableau Économique*, spoke of taxes being paid "*mittelbarer Weise*," an expression which we have met in the works of earlier writers. Yet Justi never conceived of this as a basis for the classification of taxes. He applied the expression even to the shifting of the land tax, which he considered possible. In subsequent works[6] Justi refutes the theory of the single tax, and does not adopt the terminology of the Physiocrats; while he continues to classify taxes as (1) taxes on immovables, (2) taxes on persons, (3) taxes on business.

Other writers, however, adopted the language of the Physio-

[1] L. Cagnazzi, Elementi di economia politica (Naples, 1813). *Cf.* Ricca-Salerno, p. 462; Fornari, Delle teorie economiche, pp. 579, 580.

[2] On Physiocratic influence in Germany, see Roscher, Geschichte der Nationalökonomie in Deutschland, pp. 480–500; Higgs, The Physiocrats, ch. v; *Jahrbücher für Nationalökonomie und Statistik*, XIX, 1–63 (Jena, 1872).

[3] For a list of the works of Schlettwein, see Handwörterbuch der Staatswissenschaften, V, 576–578. In particular see Schlettwein's Grundfeste der Staaten, p. 615 (Giessen, 1778).

[4] J. W. Lith, Abhandlung von denen Steuern (Ulm, 1766); C. G. von Thiele, Nachricht der märkischen Contributions- und Landessteuerverfassung (2d ed., Halle, 1768); F. C. J. Fischer, Lehrbegriff sämmtlicher Kameral- und Polizeirechte von Deutschland (Frankfurt, 1784–86).

[5] Staatswirthschaft (1755); 2d ed. (Leipzig, 1758), II, 345–355.

[6] Politische und Finanzschriften (Kopenhagen und Leipzig, 1761); System des Finanzwesens (Halle, 1766).

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crats, even when rejecting their doctrines. Thus Pfeiffer, who attacked Schlettwein as the representative of the French school, used such expressions as "*direkte Auflagen*," "*direkt und indirekt besteuert*," *etc.*[1] Sonnenfels, also, when rejecting the single tax and attacking the treatment accorded by the Physiocrats to indirect taxes, uses continually the expressions "*mittelbare Abgaben*," "*unmittelbare Gewerbsteuer*," *etc.*[2] With these German writers we may group Bielfeld, who incidentally uses the words direct and indirect when treating of taxes.[3] Finally, J. J. Moser wrote that a certain tax was paid "*per indirectum*," [4] while J. G. Hunger contrasted direct taxes with taxes on trade and consumption.[5]

Such discussions served to fix the words direct and indirect taxation in German economic terminology. Beguelin employed these terms in 1797.[6] Borowski used them, but with reference to Physiocratic discussions.[7] They occur in Bosse's *Grundzüge der Finanzwissenschaft*, published in 1804.[8] Kröncke[9] discussed the various meanings of these terms. Schlözer used the words in a different sense. He divided taxes into "*mittelbare*" and "*unmittelbare*." [10] The former he defined as taxes that fall upon the productive forces, gross income or production. Indirect taxes, in this view, would be those that fall upon consumption. Schlözer was a thorough student of Adam Smith's writings, and was acquainted with the works of Canard.[11]

[1] J. F. von Pfeiffer, Der Anti-physiokrat, pp. 212, 360, 361 (Frankfurt, 1780).

[2] Grundsätze der Polizei, Handlung, und Finanzwissenschaft (1763); 3d ed. (Vienna, 1777), III, 269–272, 300–302, 309–311, 342, 343.

[3] Le B. de Bielfeld, Institutions politiques (La Haye, 1760). See part i, ch. xii.

[4] Landeshoheit in Steuersachen (Frankfurt und Leipzig, 1773), p. 686.

[5] Hunger wrote: "*Diese Handels- und Consumptionsabgaben waren bei Weitem nicht so drückend als jene direkten Steuern.*"— Kurze Geschichte der Abgaben, ch. xi (Dresden, 1783). *Cf.* Neumann, p. 423.

[6] F. W. von Beguelin, Historisch-Kritische Darstellung der Accise- und Zollverfassung (Berlin, 1797).

[7] G. H. Borowski, Abriss des praktischen Kameral- und Finanzwesens (2d ed., Berlin, 1799). Quoted in Förstemann, p. 23.

[8] *Cf.* Neumann, p. 421, note.

[9] Das Steuerwesen (Darmstadt, 1804). *Cf.* Neumann, p. 424.

[10] C. von Schlözer, Staatswirthschaft (1805). Quoted by Neumann, p. 417.

[11] See Roscher, Geschichte der Nationalökonomie in Deutschland, pp. 795, 796.

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This last circumstance suggests that Schlözer's distinction was based upon that formulated by the French writer. In 1808 Eschenmayer wrote that taxes may be divided into direct and indirect, according as they are raised mediately or immediately from the taxpayers.[1] Also Theodore Schmalz, "the last Physiocrat," insisted that the terms direct and indirect had no meaning, when applied to taxes, except in the Physiocratic sense.[2] In this year, finally, the words found their way into Prussian public law,[3] and their use in German economic literature may be regarded as established.

In England the terms direct and indirect taxes came into use at a late day, and gained acceptance but slowly. Bodin's *Six Books of the Republic*, with its allusion to taxes paid "directly or indirectly," was translated into English in 1606, and was read widely.[4] Montesquieu, who used a similar expression, was studied by such economists as Hume and Adam Smith. Yet the terms did not come into use from the influence of these French writers. German authors, moreover, were much less known in England, except as their works were accessible in Latin editions.[5] Probably the minor political writers and cameralists were never read. Pufendorff, who was well known through the Latin and English editions of his *Law of Nature and Nations*, does not use the terms direct and indirect. German influence may, therefore, safely be left out of our account.

In England discussions of the subject of taxation are old.[6] We may begin with Thomas Hobbes,[7] who treated of justice in

[1] D. H. Eschenmayer, Vorschlag zu einem einfachen Steuer-Systeme, p. 12 (Heidelberg, 1808).

[2] Handbuch der Staatswirthschaft, § 410 (Berlin, 1808). *Cf.* Cohn, Finanzwissenschaft, p. 441 (Stuttgart, 1889); Roscher, Geschichte der Nationalökonomie, pp. 498–500.

[3] See Förstemann, p. 8.

[4] English translation by Richard Knolles (London, 1606). *Cf.* Hallam, Introduction to Literature of Europe, II, 204, 205.

[5] This is well shown in Adam Smith's library, which contained works in Latin, Greek, Italian and French, but no German works, except in Latin editions. See J. Bonar, Catalogue of the Library of Adam Smith, pp. 57, 92, 102, 110 (London, 1894).

[6] See Ricca-Salerno, pp. 172–185.

[7] De cive (1642); Leviathan (1651). (English Works of Thomas Hobbes. Edited by W. Molesworth. London, 1839.) See II, 174; III, 333, 334; IV, 216, 217.

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taxation, favoring taxes on expenditure, but did not attempt any classification of imposts or use the terms direct and indirect. Sir William Petty, also, favored taxes on consumption. Holding that a land tax could be shifted only in part upon consumers of raw produce, he desired an excise on all consumption.[1] While he does not classify taxes as direct and indirect, he speaks, in one of his works, of taxes paid "insensibly and indirectly."[2] This is apparently the only case in which any English writer, prior to the time of Adam Smith, used any such expression. Thomas Mun, who devoted one chapter of his principal work[3] to the subject of public revenues, does not classify taxes or use the words direct and indirect. John Locke discussed taxation incidentally. Holding that all taxes "for the most part terminate upon land," he says it is vain for the landowner to desire taxes laid upon commodities, because, "though he pays not this tax immediately out of his own purse," he will ultimately bear the burden of such excise taxes.[4] Charles D'Avenant, who accepted Locke's theory that all taxes are in the last resort a charge upon land, does not use the words direct and indirect.[5]

In the eighteenth century, discussions of the relative merits of a single land tax, a general excise system or a single excise upon houses, *etc.*, continued; while the bitter controversies over Walpole's excise scheme of 1733 gave the question great practical interest.[6] Prominent among the writers of this period

[1] Treatise on Taxes and Contributions (1662).

[2] Verbum Sapienti, Appendix to Political Anatomy of Ireland (London, 1691). The Verbum Sapienti was written in 1665. All editions have "insensibly and directly." Petty's manuscript shows this to be an error. For this fact I am indebted to Prof. C. H. Hull, who explains the matter in his forthcoming edition of the Economic Works of Sir William Petty.

[3] England's Treasure by Forraign Trade (1664). (Edited by W. J. Ashley. New York, 1895.) See ch. xvi.

[4] Considerations of the Lowering of Interest and Raising the Value of Money (1691). See Works of John Locke, V, 55 (11th ed., London, 1812).

[5] Ways and Means of Supplying the War (London, 1695); Discourses on the Public Revenues and Trade of England (London, 1698). See Political and Commercial Works of Charles D'Avenant (London, 1771).

[6] See Palgrave, Dictionary of Political Economy, I, 788, for Walpole's scheme. On the entire controversy see Ricca-Salerno, pp. 197–210; Seligman, Shifting and Incidence of Taxation, pp. 12–27 (Baltimore, 1892).

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were Vanderlint, who, following Locke, favored a single tax upon land,[1] and Sir Matthew Decker,[2] who desired a single excise upon houses. But this controversy did not result in the development, in English economic literature, of the distinction between direct and indirect taxes.

The immediate predecessors of Adam Smith now claim attention. David Hume[3] classified taxes as (1) upon consumption, (2) upon possessions, (3) arbitrary imposts; and did not use the terms direct and indirect. Malachy Postlethwayt, in his *Dictionary of Commerce*,[4] merely echoed Hume, and made the same classification. In another work[5] he spoke of "our Taxes laid directly upon Trade, or in any other intermediate Shape." But this does not seem to be similar to the technical use of the terms direct and indirect. Moreover, Postlethwayt made no classification of taxes upon this basis. Sir James Steuart devoted two hundred pages of his *Principles of Political Economy*[6] to the subject of taxation. He offered the following classification: (1) taxes on alienation, or proportional taxes, as customs, excise and stamp duties; (2) taxes on possession, or arbitrary and cumulative taxes, as poll, window, land taxes, *etc.*; (3) personal taxes, or "those exacted in service," as the road tax and militia duty. Steuart says that proportional taxes form parts of the prices of commodities, and are paid by the buyer. Taxes of the second class are intended to affect possessors in such a way that the taxes cannot be shifted.[7] Here

[1] J. Vanderlint, Money Answers all Things (London, 1734). *Cf.* Seligman, *op. cit.*, p. 22.

[2] Serious Considerations on the Several High Duties (1743). *Cf.* Seligman, *op. cit.*, pp. 17, 18; Palgrave, Dictionary of Political Economy, I, 519. The writer has been unable to secure a copy of this work. Decker also wrote Essay on the Cause of the Decline of the Foreign Trade (1744). This is contained in McCulloch's Select Collection of Scarce and Valuable Tracts on Commerce (London, 1859). In this later publication the terms direct and indirect do not occur.

[3] Essay on Taxes (1752). See Essays, Moral, Political, and Literary, by David Hume, I, 358 (London, 1882).

[4] Universal Dictionary of Trade and Commerce, II, 785 (London, 1755).

[5] Great Britain's True System, p. 307 (London, 1757).

[6] Inquiry into the Principles of Political Economy (1767). *Cf.* Works of Sir James Steuart (London, 1805).

[7] *Ibid.*, IV, 173–175.

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he touches upon the very circumstance that forms a basis for a formal distinction between direct and indirect taxes but does not use those terms. On the contrary, he uses the words directly and indirectly in a non-technical sense that is opposed to any such scientific distinction.[1] Finally, it should be noted that J. Cunningham, in the two works in which he discussed taxation, did not use the terms direct or indirect and did not classify taxes.[2]

To Adam Smith, or, more properly, to the influence of the Physiocrats upon Adam Smith, is due the use in England of the terms direct and indirect taxes. Although Smith was familiar with the works of Bodin and Montesquieu,[3] he had not, as late as 1763, adopted such expressions. In his lectures of that year he made the following classification: (1) taxes upon consumption; (2) taxes upon possessions, as land, stock, money.[4] Here the terms direct and indirect do not occur. In February, 1764, Smith started upon his journey to France, where he remained two years and a half. There he became acquainted with Turgot and other Physiocrats, and attended the meetings of the sect.[5] Although he rejected their doctrines of taxation, and could not have classified taxes as they did, he nevertheless retained the words direct and indirect taxes, using them in his most famous work. An examination of the passages in the *Wealth of Nations*, where these terms occur, leads to the following results:

(1) Smith did not formally classify taxes as direct and indirect. The classification adopted by him is: (*a*) taxes on rent; (*b*) taxes on profits; (*c*) taxes on wages; (*d*) taxes which fall indifferently upon all three kinds of revenues. In this last

[1] Inquiry into the Principles of Political Economy, IV, 318. Here Steuart speaks of the impossibility of the land tax being shifted "directly," and considers whether it may be shifted "indirectly."

[2] Essay on Trade and Commerce, Containing Observations on Taxes (London, 1770). This contains the substance of an earlier work on taxes.

[3] See Bonar, Catalogue of the Library of Adam Smith, pp. 14, 70. Bielfeld's Institutions politiques was also in Smith's library. See Catalogue, p. 13.

[4] Lectures on Justice, Police, Revenue, and Arms, p. 239. (Edited by E. Cannan. Oxford, 1896.)

[5] John Rae, Life of Adam Smith, pp. 174, 202, 215, 216 (London, 1895).

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class he placed, first, capitation taxes and, second, taxes on expenditure.[1]

(2) The terms direct and indirect, as used by Smith, did not refer to the incidence of taxes. He applied the term direct to taxes upon the profits of stock and upon the wages of common labor, all of which, he held, are regularly shifted.[2]

(3) The distinction which Smith commonly had in mind seems to have been based upon the methods followed in the assessment of taxes. This will be evident from the following passages. He speaks of stock "taxed directly," "in proportion to the whole profit."[3] Again, he says that transfers of immovable property may be taxed directly, but that transfers of movables can be taxed only indirectly, either by stamp duties on legal instruments or by requiring a registration of such transactions and imposing duties upon registration.[4] In all these cases he considers taxes direct when they are assessed according to revenue or property. When Smith first uses the word indirect, he says: "The state, not knowing how to tax, directly and proportionably, the revenue of its subjects, endeavors to tax it indirectly by taxing their expense."[5] He therefore considers indirect taxes to be those which are assessed in proportion to expense. In accordance with this distinction, he speaks, in other places,[6] of direct taxes upon salaries of public officials; while he calls capitation taxes on "the lower ranks of people" direct taxes upon the wages of labor; and considers taxes upon interest and rent to be levied directly.

(4) But Smith suggested, in one passage,[7] another idea which was to be used by subsequent writers in defining direct and indirect taxes. He said that capitation taxes and taxes upon consumable commodities are imposts "which it is intended should fall indifferently upon every different species of revenue." The intention of the legislator was to play an important part in subsequent definitions.

[1] Wealth of Nations. Edited by J. E. T. Rogers, II, 413, 414 (2d ed., Oxford, 1880).

[2] See *Ibid*, II, 440, 441, 460, 463, 466.

[3] *Ibid.*, II, 440.

[4] *Ibid.*, II, 453.

[5] *Ibid.*, II, 466.

[6] *Ibid.*, II, 441, 442, 463, 466.

[7] *Ibid.*, II, 463.

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Even after these suggestions by Smith, the words direct and indirect taxes were slow in making their way into general use. Thomas Mortimer, who had published, in 1772, his *Elements of Commerce, Politics and Finance*, did not employ these terms in the second edition, which appeared in 1780. The same is true of Sinclair in the various editions of his work upon the *Public Revenue*.[1] The words do not occur in the *Enquiry into the Principles of Taxation*, published anonymously, at Dublin, in 1791, although the incidence of taxes upon consumption is here discussed at some length. There were at that time, moreover, no settled meanings for such words as duties, excises, *etc.* The law of 1799, establishing Pitt's income tax, is entitled an act "granting certain duties upon income."[2] Similar terms are used in subsequent income tax acts,[3] and in the *Annual Register* for 1803.[4]

The slowness of the process by which the distinction between direct and indirect taxes gained general acceptance is shown in the various editions of the *Encyclopædia Britannica*. The first edition, published at Edinburgh in 1771, contained merely a brief treatment of the subject of taxation. The second and third editions, published in 1778 and 1797, show no trace of the influence of Smith's views. But the fourth edition, published in 1810, contains an article, nearly twelve pages in length, by Hugh Murray. Taxes are classified as follows: (1) assessed taxes,[5] "those which the subject is required to pay directly into the hands of the sovereign or commonwealth," *e.g.* income, capitation and property taxes; (2) taxes upon commodities, which "are paid, in the first instance, not by the consumer, but by the producer, or importer," and "fall upon consumption."

In 1804 W. Frend[6] applied the term indirect taxation to customs and excise duties. Ten years later John Craig[7] form-

[1] J. Sinclair, History of the Public Revenue (Dublin, 1785; 3d ed., 1803).
[2] 39 George III, c. 13. [3] 43 George III, c. 122.
[4] *Annual Register*, 1803, p. 633 (London, 1805).
[5] This term has no reference to the "assessed taxes" of the English tax acts. Murray considers the latter as merely one kind of the assessed taxes of his general classification. [6] Principles of Taxation, p. 49 (London, 1804).
[7] Elements of Political Science, III, 12 (Edinburgh, 1814).

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ally defined direct and indirect taxes in such a way as to suggest the influence of Murray's article in the *Encyclopædia*. Craig said that direct taxes are "paid without recourse on others"; while indirect taxes "affect the enjoyments of persons altogether different from those by whom the money is originally advanced." Yet Ricardo, writing in 1817, did not formally classify taxes as direct and indirect. Although he sometimes made use of these terms, it seems to be impossible to reconcile the various passages of Ricardo's writings in which such words occur with any one definition of direct and indirect taxes.[1] In 1821 James Mill[2] reverted to the usage of Adam Smith and spoke of "the direct mode of deriving a revenue" from rent, profits and wages, and of "the expedients . . . for deriving it from them indirectly." Thus Mill called taxes on rent, profits and wages direct; while he regarded taxes on commodities, *etc.*, as indirect. From that time we may regard the distinction of direct and indirect taxes as established in English usage.

III.

Without further consideration of the chronological details of its development, we may proceed to classify and examine critically the different views advanced concerning this distinction between direct and indirect taxes. Förstemann and Neumann have recognized three classes of definitions, exclusive of the Physiocratic usage;[3] but it seems impossible to reduce the divisions to so small a number, if all shades of opinion are to be included. In the following pages no attention has been paid to the long obsolete Physiocratic discussion. The reader will notice, also, that the names of some writers appear in more than one of the groups. This is because some economists have expressed different opinions in their various works, or

[1] See Principles of Political Economy and Taxation (1817) in McCulloch's edition of Works of Ricardo (London, 1886). See pp. 93–95, 119, 123, 141, 142, 144, 145. For example, on p. 141 Ricardo says that a rich consumer would pay a tax directly if it "were laid on income, on wine or on any other luxury."

[2] Elements of Political Economy (1821). See p. 241 (2d ed., London, 1824).

[3] Förstemann, p. 9; Neumann, pp. 425, 426.

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have attempted to base upon several characteristics their definitions of direct and indirect taxes.

(1) The first of our groups of definitions is the oldest and the most familiar of all. Direct taxes are said to be those which are collected, in the first instance, from the persons who are to bear them, while indirect taxes are those which are collected from persons who shift the burden upon others. This distinction is an elaboration of the idea contained in the old expression, "to pay taxes directly or indirectly," and was first developed by the Physiocrats into a scientific classification of taxes. When the doctrines of the French school were finally overthrown, the terms direct and indirect remained in use,[1] and were employed by writers who believed that other taxes besides the tax upon the income from land were finally borne by the payer upon whom they were first placed. With the further development of the theory of the shifting of taxation, the classification of taxes as direct and indirect, according to their final incidence, remained a favorite one with students of finance.[2]

Such a classification seems to be logically clear and consistent. Moreover, it is based upon a most important economic fact. If our actual taxes could be classified with certainty as

[1] In Germany, in 1808, Theodor Schmalz, "the last Physiocrat," insisted that these expressions had no meaning apart from the Physiocratic doctrine of taxation. — Quoted by Cohn, Finanzwissenschaft, p. 441.

[2] D. H. Eschenmayer, Vorschlag zu einem einfachen Steuer-Systeme, p. 12 (Heidelberg, 1808); B. F. B. Weber, Lehrbuch der politischen Oekonomie, II (Breslau, 1813), quoted by Förstemann, pp. 21, 22; J. Craig, Elements of Political Science, III, 12 (Edinburgh, 1814); L. H. von Jakob, Staatsfinanzwissenschaft, I, 420 (Halle, 1821); W. Phillips, Manual of Political Economy, p. 276 (Boston, 1828); J. Schön, Grundsätze der Finanz, p. 86 (Breslau, 1832); H. Passy, "Impôt," in Dictionnaire de l'économie politique, I, 901 (Paris, 1852); R. E. Thompson, Social Science and National Economy, pp. 193, 194 (Philadelphia, 1875); H. Fawcett, Manual of Political Economy, p. 547 (5th ed., London, 1876); J. E. T. Rogers, Manual of Political Economy, chs. xxi, xxii (Oxford, 1876); J. L. Laughlin, Elements of Political Economy, p. 273 (New York, 1887); K. Umpfenbach, Lehrbuch der Finanzwissenschaft, p. 195 (2d ed., Stuttgart, 1887); C. Gide, Principles of Political Economy, p. 563 (Amer. trans., Boston, 1892). M. H. Baudrillart, Manuel d'économie politique, p. 501 (4th ed., Paris, 1878), combines this classification, to some extent, with the administrative classification discussed in the next group. W. Roscher, Finanzwissenschaft, p. 155, is inclined to follow this definition.

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direct and indirect, the definition would prove most useful. But, unfortunately, it was soon apparent that difficulties must arise at just this point. Von Jakob pointed out, in 1821, that a wine tax might be direct, if collected from the consumer, and indirect, if collected from tradesmen or producers. The same is true, of course, of import duties. When consumers import goods directly, without resorting to middlemen, customs duties may be collected from the persons who finally bear them. But, more than this, the facts of incidence are often uncertain or varying. A house tax is surely direct, if the owner is also the occupier; but it may be shifted from the owner upon a tenant, especially if it is an exclusive tax. Such considerations long ago made it apparent that many taxes could not with scientific accuracy be assigned a definite place, in a classification based upon the actual facts of incidence.

A realization of this difficulty led to a modification in this definition of direct and indirect taxes: the supposition or intention of the taxing authorities was substituted for the actual facts of incidence. John Stuart Mill may represent the advocates of such a modification. He wrote:

> A direct tax is one which is demanded from the very persons who, it is intended or desired, should pay it. Indirect taxes are those which are demanded from one person in the expectation and intention that he shall indemnify himself at the expense of another. . . .

Such definitions as this have during the last forty years gained wide acceptance.[1]

[1] E. Baumstark, Kameralistische Encyclopädie, § 487 (Heidelberg, 1835); K. S. Zachariä, Abhandlungen aus dem Gebiete der Staatswirthschaftslehre, p. 29 (Heidelberg, 1835); J. S. Mill, Principles of Political Economy, bk. v, ch. iii, § 1 (London, 1848); K. H. Rau, Grundsätze der Finanzwissenschaft, I, 441, 442 (5th ed., Leipzig, 1864); C. J. Bergius, Grundsätze der Finanzwissenschaft, pp. 263, 264 (Berlin, 1865); A. Walker, Science of Wealth, p. 312 (Boston, 1866); F. Bowen, American Political Economy, p. 436 (New York, 1870); A. L. Perry, Elements of Political Economy, p. 585 (New York, 1878); P. Leroy-Beaulieu, Traité de la science des finances, I, 225, 226 (4th ed., Paris, 1888); H. Denis, L'impôt, pp. 136, 137 (Brussels, 1889); J. A. R. Helferich, in Schönberg's Handbuch der politischen Oekonomie, III, 155, 156 (3d ed., Tübingen, 1897); J. S. Nicholson, Principles of Political Economy, I, 214 (New York and London, 1893); K. T. Eheberg, Finanzwissenschaft, p. 150 (4th ed., Leipzig, 1895). Perhaps we should include

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But this formulation of the distinction between direct and indirect taxes is open to criticism. It is urged correctly that the intention of the legislator is "too uncertain an element for the characterization of a scientific conception."[1] It is asked whether Congress intended to burden the producer or the consumer by the tax formerly imposed on bottles of patent medicine, and for whose benefit the tax was repealed. We must concede that the legislator often has considered not at all the incidence of taxes, but merely the easiest or quickest way of raising money. Moreover, it is certain that tax laws do not always operate in accordance with the expectations or intentions of the legislator. While Wagner[2] is right in claiming that the intention of the legislator has been an important element in shaping reforms in modern tax systems, it is true that the uncertainties of this classification are so great as to leave it no strict scientific validity.

This definition, accordingly, has been subjected to a second modification. Admitting that direct taxes are occasionally shifted from the people whom they are supposed to burden upon persons whom they are not assumed to reach, and conceding that our knowledge of the facts of incidence is sometimes insufficient to enable us to be certain that direct taxes will stay where they are first placed, it is claimed, nevertheless, that we may retain with advantage the distinction based upon the incidence of taxation. Thus Bastable writes:

> Whether a duty is assessed directly on the ultimate bearer or is passed through various intermediaries before reaching him, may not be capable of being precisely determined in all cases. There are no hard and fast lines in fact, and the instances on the margin may be numerous, but if we take the terms, not as giving a complete classification of taxes, but as marking the presence or absence of a certain

here S. Newcomb, Principles of Political Economy, pp. 484, 485 (New York, 1885). J. Garnier, Traité de finances, pp. 47, 48 (4th ed., Paris, 1883), combines, in part, this distinction with the administrative classification mentioned in the second group.

[1] R. T. Ely, Taxation in American States and Cities, p. 67 (New York, 1888). See also Neumann, pp. 485 *et seq.*

[2] Finanzwissenschaft, II, 244, 245 (2d ed., Leipzig, 1890).

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characteristic, they may be employed with advantage, but rather to suggest reasons for discrimination than to definitely settle results.[1]

This is to admit that actual imposts can not be fitted into our distinction with absolute scientific accuracy. But there may still remain a justification for using the terms in this sense, to denote large groups of taxes that possess normally, in a large majority of cases, the same important characteristics. No error or confusion can arise, if care is taken to note all possible exceptional cases. Wagner well says :

> In the most important practical cases this is not disputed. Income taxes, property taxes, direct taxes on luxuries, many taxes on transactions and inheritance taxes are demanded and formulated because we believe that we can assume, as a rule, that they finally fall on the payer and therefore are direct. Customs duties and internal excise duties are demanded and formulated in a given manner because we presuppose that they do not finally fall upon the actual payer, except in so far as he is also the consumer, but are shifted by him . . . upon the consumer.[2]

(2) The second group of definitions may be designated the administrative classification. According to it, direct taxes are those levied at stated periods by means of assessment rolls of names ; while indirect are levied only under certain circumstances or situations, and by means of tariffs or schedules of charges.

The earliest suggestion of such a classification is probably found in an *instruction* issued by the French Constituent Assembly in January, 1790. This defined a direct tax as follows : "*Toute imposition . . . qui se lève par les voies du cadastre ou des rôles de cotisations.*"[3] This was practically repeated in the *Code des Contributions*[4] in 1811. French financial practice has retained a similar classification down to

[1] Bastable, Public Finance, p. 326 (2d. ed., London and New York, 1895). See also T. E. Cliffe Leslie, Essay on Financial Reform, Cobden Club Essays, Second Series, p. 188 (London, 1872).

[2] Wagner, Finanzwissenschaft, II, 244.

[3] Handwörterbuch der Staatswissenschaften, VI, 97.

[4] Neumann, p. 431.

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the present day,[1] while German administrative terminology has sometimes been influenced by the same idea.[2] Among economists, a number of French and German writers have followed this distinction,[3] and in France it has been used rather more often than any other.

This distinction is primarily of administrative importance. Its usefulness for economic purposes has never been demonstrated, as Block and Courcelle-Seneuil have admitted. The mode of administration is clearly an external matter that has little or nothing to do with the intrinsic nature and economic effects of tax systems. We may therefore reject this distinction as useless for purposes of economic investigation.

Moreover, it can be shown that the administrative definition leads to a grouping of taxes that is positively harmful for economic purposes. On this basis, taxes upon successions and gifts must be classified, with customs and excise duties, as indirect taxes. This is actually done in the administrative nomenclature of Prussia, Bavaria and Baden.[4] Little reflection is necessary to show the unfortunate results that must arise from grouping together taxes which differ so diametrically in their purpose, as well as in their economic effects.

Again, it may be noted, certain taxes do not always accommodate themselves to the administrative classification. Von Hock[5]

[1] See M. Block, Dictionnaire de l'administration française, p. 1087 (2d ed., Paris, 1881); L. Say, Dictionnaire d'économie politique, II, 25 (Paris, 1891).

[2] Neumann, pp. 434–436; Handwörterbuch der Staatswissenschaften, VI, 97.

[3] L. F. Wiederhold, Wissenschaft der indirekten Steuern (Marburg, 1820), quoted by Neumann, p. 438; F. G. Schimmelpfennig, Die preussischen direkten Steuern (1831), quoted by Neumann, p. 439; F. J. Schmitthenner, Grundlinien des allgemeinen Staatsrechtes (Giessen, 1843, 1845), quoted by Neumann, p. 439; K. F. Dieterici, Ergebnisse der Verwaltung (1849), quoted by Neumann, p. 440; M. H. Baudrillart, Manuel d'économie politique, p. 501 (4th ed., Paris, 1878); E. de Parieu, Traité des impôts, I, 10 (Paris, 1866); J. G. Courcelle-Seneuil, Traité d'économie politique, I, 452 (2d ed., Paris, 1867); J. Garnier, Traité de finances, pp. 47, 48 (4th ed., Paris, 1883); M. Block, Progrès de la science économique depuis Adam Smith, p. 415 (Paris, 1890); P. Cauwès, Cours d'économie politique, IV, 293 (3d ed., Paris, 1893).

[4] See Wagner, in Schönberg's Handbuch der politischen Oekonomie, III, 169; Neumann, p. 435; Wagner, Finanzwissenschaft, II, 241.

[5] Die öffentlichen Abgaben und Schulden, p. 89 (Stuttgart, 1863). Wagner, Finanzwissenschaft, II, 241, 242, has presented other difficulties of a similar sort.

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has urged that some duties on consumption, which according to this definition are indirect taxes, may be paid by composition, and may therefore become direct in the administrative sense. Such cases are exceptional, and it may be claimed that the definition need consider only the conditions that prevail in a majority of cases. This may be conceded, as it was in the first classification of direct and indirect taxes; but it remains true that all actual taxes cannot be fitted into the administrative definition with perfect scientific accuracy.

A final point demands consideration. Baudrillart[1] and Garnier[2] have attempted to combine, in some measure, the administrative classification with the one based on the incidence of taxes. Such a procedure is manifestly impossible. Taxes upon inheritances or gifts are certainly direct, within the meaning of the first definition; while they are surely indirect, according to the criteria established by the administrative classification. In the case of these taxes the two definitions do not correspond at all, and they should not be combined.

(3) The third classification relates to the nature of the objects taxed — of the things which are made the bases of assessments. A. de Foville has stated it as follows:

> A direct tax reaches in the payer taxable elements which are of a durable, constant and continuous character, such as existence, possession or profession. To exist, to possess, to carry on trade or industry, these are permanent facts. . . . Indirect taxes do not reach qualities or possessions, but circumstances, particular or intermittent facts.[3]

In 1811 F. J. H. von Soden defined direct taxes as those which reach an object, and indirect as casual imposts which depend upon circumstances or events. In 1829 J. G. Hoffmann wrote that direct taxes reach something that is, while indirect reach something that happens. In Germany, Murhard and Neumann, and in France, Parieu, de Foville and Stourm, have favored similar definitions.[4]

[1] Manuel d'économie politique, p. 501. [2] Traité de finances, pp. 47, 48.

[3] Quoted by R. Stourm, Systèmes généraux d'impôts, p. 281 (Paris, 1893).

[4] F. J. H. von Soden, Die Staatsfinanzwissenschaft, p. 283 (Leipzig, 1811); J. G. Hoffmann, in *Preussische Staatszeitung*, Nr. 304, 1829; also in Nachlass

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This distinction seems logically clear and admissible. But it is based upon criteria which, when applied to the facts of economic life, enable us to distinguish, in most cases, differences in degree of permanence only, not differences in the nature of the objects taxed. For this reason the practical application of the definition is not so easy as it might appear at first thought. Thus, production is considered to be a permanent or continuous fact, when taxes are classified upon the basis of this distinction. But it seems clear that a man's general activities in consumption constitute a fact of equal permanence, and that a general excise on consumption must be a direct tax within the meaning of the definition. Again, the systematic importation of raw materials from a foreign country seems to be a permanent and continuous part of the conduct of many productive enterprises. Why, then, are we not obliged to classify customs duties upon such materials as direct? Are they not imposed upon elements that are as permanent or continuous as the products, or net produce, upon which product taxes (*Ertragssteuern*) are levied?

The writers who favor this distinction consider that the use of a person's property or faculties in economic production is a fact of a permanent nature, and call taxes direct when they are levied on income or business.[1] It would seem that all taxes levied on producers as such, or upon goods regularly turned out by producers, must be considered direct, if this definition is to be consistently applied. This would necessitate the classification of excise taxes as direct when they are levied upon producers, as is the case with duties on beer, spirits and tobacco in the United States.

The adoption of this definition has never led to results that can be considered important for the investigation of economic questions. Further than this, it seems obvious that a grouping of taxes according to the criteria here suggested leads to unusual

kleiner Schriften, pp. 461–471 (Berlin, 1847); K. Murhard, Theorie und Politik der Besteuerung, pp. 170–173 (Göttingen, 1834); E. de Parieu, Traité des impôts, I, 118 (2d ed., Paris, 1866); Neumann, ch. x; R. Stourm, in Dictionnaire d'économie politique, II, 26.

[1] See Neumann, pp. 426–446.

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and even harmful consequences. By this method of classification we are compelled to call many customs and excise duties direct, while taxes upon inheritances and gifts must be considered indirect. Such a grouping under a common name of taxes whose economic effects are so diverse cannot conduce to scientific insight.

Some economists, as Stourm and Neumann, have sought to combine this third classification with the second, or administrative, definition of direct and indirect taxes. They hold that taxes on permanent facts are collected by means of periodical assessments and rolls of names, while taxes on intermittent facts are levied by tariffs of charges. This combination of the two definitions is inadmissible. Excise taxes levied upon producers, or upon commodities as they are produced, are imposed upon relatively stable and permanent facts, as has been shown. Such duties must be called direct, in the sense of the third definition. But in their collection tariffs of charges, not assessment rolls, may be employed ; so that they must be considered indirect in the administrative classification. The same is true of such customs duties as strike regular and continuous importations.

(4) According to a fourth definition, direct taxes fall upon possession and indirect reach consumption. This classification considers the objects upon which taxes are levied — that is, things possessed or things consumed — and does not refer to the sources of taxation. It has been adopted by a number of economists in various countries.[1]

[1] F. J. H. von Soden, Die Nationalökonomie, III, 155 (Leipzig, 1805–1808); F. C. Fulda, Handbuch der Finanzwissenschaft, § 154 (Tübingen, 1827); J. G. Hoffmann, Lehre von den Steuern, pp. 69–73 (Berlin, 1840); W. Roscher, Grundriss der Staatswissenschaften, p. 101 (1843); M. von Prittwitz, Theorie der Steuern und Zölle, p. 176 (Stuttgart, 1842); F. Wayland, Elements of Political Economy, p. 391 (4th ed., Boston, 1851); E. Levasseur, Précis d'économie politique, p. 345 (Paris, 1883). E. Peshine Smith implies a similar distinction in his Manual of Political Economy, p. 265 (Philadelphia, 1853). E. Sax, Grundlegung der theoretischen Staatswirthschaft, p. 544 (Vienna, 1887), is perhaps to be classified with this group of writers, in spite of the pains he has taken to make his ideas appear so involved as to differentiate him from other economists. Finally, P. Cauwès brings this distinction into his definition of direct and indirect taxes : see his Cours d'économie politique, IV, 293 (3d ed., Paris, 1893).

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This distinction may be assailed upon logical grounds. Possession and consumption, things possessed and things consumed, are not logical opposites. Our possessions include both capital goods, used in the process of production, and durable consumption goods, such as dwelling houses, furniture, clothing, carriages, *etc.* These durable consumption goods are not to be distinguished from food or fuel, except in respect of the length of time required to destroy or consume the satisfactions which they can afford. No scientific distinction can be based upon the criteria offered by this definition.

The objection just raised is fatal to such a classification, but it may also be pointed out that the definition is not sufficiently inclusive. In this grouping poll taxes can find no place. They are imposed upon persons as persons, not upon either possession or consumption as such. They may be paid by sacrificing property or by retrenching in one's consumption, but not necessarily in either way. Moreover, this definition considers, not the source whence arise the resources for paying the tax, but merely the objects upon which imposts are levied. The same difficulty occurs with inheritance taxes, which fall not upon property as such, but upon particular transfers of property. Similarly, taxes on sales occasion trouble. They are imposed upon acts, not upon property or consumption as such.

Some of these difficulties have been met by changing slightly the basis of the definition. Thus Soden, Levasseur and Cauwès include persons with property as the objects upon which direct taxes fall. Such a procedure may provide a place for poll taxes, but it does not obviate the difficulties that arise from the fact that possession and consumption are not logically opposite terms. The same is true of Fulda's attempt to include income with possession as the basis of direct taxation.

Sometimes the word actions has been substituted for consumption, as in the cases of Soden, Hoffmann, Roscher, Prittwitz and Levasseur. Probably this has been done in order to make a place for taxes on sales, gifts, inheritances and various imposts on transactions. This change makes the definition more inclu-

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sive, but does not remedy the original logical difficulty. As applied to consumption, actions cannot be the logical opposite of possessions. My actions in acquiring and using a dwelling house differ from my actions in acquiring and using fuel only in respect of the length of time over which the use may extend. However this definition may be amended, it seems absolutely untenable.

(5) The fifth group of distinctions is based upon the opposition between production and consumption. Taxes which reach production are held to be direct, and imposts upon consumption are called indirect. Such a definition was partially formulated by Schlözer, in 1805, and has been adopted by several later economists.[1]

This distinction seems to be founded upon ideas that are logical opposites, but it cannot be made inclusive of all taxes. Poll taxes do not fall primarily upon production or consumption. Taxes on inheritances and gifts cannot, by any use of these terms, be brought under such a classification. Other difficulties arise when it is attempted to classify certain important kinds of imposts. Taxes on property that is not used in production certainly fall upon consumption goods. Hence, upon this basis, indirect taxes must include taxes upon dwelling houses, furniture, *etc.* — a result that is highly unusual and unfortunate. Taxes upon transfers must cause further trouble. These may be collected either from producers or consumers. While they may ultimately tend to burden the consumer, this definition does not allow us to consider the facts of incidence and to classify such imposts as taxes on consumption. Again, it is impossible to determine where taxes on checks or bills of exchange should be placed. These may be paid by producers or consumers in the first instance, and we are not allowed to consider their final incidence. It is clear,

[1] C. von Schlözer, Staatswirthschaft, p. 167 (1805), quoted by Neumann, p. 417; J. B. Montyon, Quelle influence ont les diverses espèces d'impôts? (Paris, 1808), contained in Mélanges d'économie politique, II, 365–496 (Paris, 1848); J. F. E. Lotz, Handbuch der Staatswirthschaftslehre, III, 176 (Erlangen, 1821); T. C. Banfield, The Organization of Industry, p. 136 (London, 1848); P. De Luca, La Scienza delle finanze (Naples, 1858). See Ricca-Salerno, pp. 548, 549.

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therefore, that the fifth definition offers no certain or useful classification of taxes.

(6) The sixth method of classification contrasts income and expenditure. It groups taxes that fall upon income under the head of direct taxes and applies the term indirect to imposts that fall upon consumption. This definition is found in the writings of Canard and Say, as well as in recent works upon finance.[1] This grouping of taxes is somewhat similar to that based upon the opposition between production and consumption; but it is more inclusive, since it makes a place for taxes on inheritances, gifts and all possible forms of acquisition. Perhaps even poll taxes may be considered as uniform taxes upon income. Moreover, this classification seems to be based upon criteria that are clearly logical opposites. Nevertheless, it is open to criticism in some directions.

First, it may be shown that some taxes fall, now upon income, now upon expenditure. Taxes upon checks and bills of exchange may certainly lead to such results. The same is true of many other taxes on transactions. Excise taxes, when collected from producers, fall primarily upon the acquisition of income. Such imposts may regularly be shifted upon consumers and may be called taxes on consumption. But this definition does not allow for the ultimate incidence of taxation; and, if this should be attempted, would lead to most singular consequences. Therefore, some excise taxes must be considered direct in this classification.

In the second place, the definition provides no satisfactory place for taxes on durable consumers' goods. If these are not

[1] N. F. Canard, Principes d'économie politique, p. 154 (Paris, 1801); J. B. Say, Political Economy, II, 268 (1st Amer. ed., Boston, 1821); L. Cagnazzi, Elementi di economia politica (Naples, 1813); see Ricca-Salerno, pp. 461, 462. C. A. von Malchus, Handbuch der Finanzwissenschaft, I, 168 (Stuttgart, 1830); F. Lieber, in Encyclopædia Americana, XII, 155 (Philadelphia, 1832); C. Rusconi, Prolegomeni della economia politica (Turin, 1852); see Ricca-Salerno, p. 538. Perhaps, also, we should place in this group of writers, J. Mill, Elements of Political Economy, p. 241 (2d ed., London, 1824); J. R. McCulloch, The Principles of Taxation, I (London, 1845). L. von Stein holds that direct taxes fall upon net income, while indirect are imposed upon expenditure. Then he adds, as a third kind of impost, the general income tax. — Lehrbuch der Finanzwissenschaft, II, 499 (5th ed., Leipzig, 1885).

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a source of income, then imposts levied upon them must be considered as indirect; and thus taxes on houses and many other forms of property become indirect taxes — a result not contemplated or desired by the advocates of this definition. It may be argued, however, that such goods are a relatively permanent investment from which the owner draws part of his annual income, in the form of satisfactions derived from the use of such consumers' goods. But such a claim does not entirely remedy the difficulty. House taxes may be collected from occupiers in all cases, and many of the occupiers may be tenants. Such taxes, therefore, fall primarily upon the tenant's expenditure and must be considered indirect. In this case we are prevented by the definition from considering the question of final incidence; but, if this should be regarded, we know that house taxes often fall upon tenants — regularly so, in fact, if the taxes are exclusive and not parts of a general property tax. There seem to be sufficiently strong reasons, therefore, for rejecting as useless, if not misleading, this sixth definition of direct and indirect taxes.

(7) A seventh definition has been developed, perhaps out of ideas suggested by the last classification. It has been held that direct taxes reach ascertained ability to bear public burdens and therefore strike wealth in its immediate manifestations, while indirect taxes are based upon the mere presumption of such ability and touch wealth in its secondary manifestations. In the first case, the ability is ascertained directly; in the second case, indirectly and by inference from some external sign. Persons, property and income are considered the immediate manifestations of wealth, while transfers of property and acts of consumption are the mediate manifestations. Perhaps a suggestion of such a definition is found in the following words of Adam Smith: "The state, not knowing how to tax, directly and proportionably, the revenue of its subjects, endeavors to tax it indirectly by taxing their expense." [1] Possibly one of Say's works has influenced some-

[1] Wealth of Nations (Rogers's ed.), II, 466.

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what the more recent writers who have developed this distinction.[1]

Such a definition seems logically clear and unassailable, but its scientific value must depend upon the ease with which actual taxes fit into the classification and upon the results obtained by a rigorous adherence to the criteria established for our guidance. Here objections arise at the very start. The various manifestations of wealth upon which taxes are assessed cannot be sharply divided into mediate and immediate. The possession of a funded income may be a more immediate manifestation of wealth than the purchase of common food and fuel, but in many instances the line cannot be so readily drawn.

Let us consider a few such cases. Is the possession of a dwelling house a more immediate manifestation of wealth than the purchase and use of such luxuries as velvets, diamonds or champagne? Is not such a transfer of property as is involved in inheritances or gifts an immediate manifestation of ability to pay taxes? Yet, in this definition, it is proposed to consider taxes on transfers as indirect. Is the ownership of property always a source of income and an immediate manifestation of ability? Clearly not, for men may be "land poor" and many investments may prove unproductive. In cases like these a property tax is levied upon the presumption that the possession of such property is a source of income. It seems impossible to call all possessions immediate manifestations of wealth or ability and to consider all transfers and consumption as mediate

[1] J. B. Say, Cours complet d'économie politique, III, 401 (ed. by H. Say, Paris, 1852); J. J. Clamageran, Histoire de l'impôt en France, I, xiv, xv (Paris, 1867); Förstemann, *op. cit.*, pp. 12, 13; K. Knies, Lectures, quoted by R. T. Ely, Taxation in American States and Cities, p. 67; L. Cossa, Taxation, p. 66 (Amer. ed., New York, 1888); A. Roncali, Corso elementare, pp. 238, 239 (Parma, 1887). A. Schäffle distinguishes between direct and indirect methods of reaching a person's ability to pay taxes. According to him, direct taxes are assessed according to the measure of a person's average or general ability — that is, the size of a person's income; while indirect taxes reach facts connected with the processes of consumption or acquisition that indicate special or individualized ability. It is hard to see how this definition differs materially from those included in this class. At any rate, Schäffle classifies actual taxes in the same manner as Cossa and the other economists of this seventh group, calling taxes on inheritances, gifts, *etc.*, indirect. See Die Steuern, I, 58–73 (Leipzig, 1895).

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manifestations. Again, the advocates of this classification propose to consider the poll tax as direct, since they regard a person's existence as an immediate manifestation of ability. Here they do not adhere rigorously to the criteria established by their own definition. The uniform poll tax has been gradually discarded by civilized peoples, precisely because it does not regard differences in ability to bear public burdens. In its assessment the government does not consider manifestations of wealth, but proceeds on the assumption that the mere fact of existence implies ability to pay. Enough considerations have been adduced to show the impossibility of constructing a consistent and useful classification of taxes upon this basis.

(8) An eighth definition is based upon the old idea that imposts upon consumption are paid voluntarily, since they form part of the prices of commodities that citizens are free to purchase or to refrain from purchasing. Such a distinction between direct and indirect taxes was made as early as 1787.[1]

Criticisms of this distinction need be directed only at the alleged voluntary nature of indirect taxes, such as impost or excise duties and taxes upon transactions. Mill has shown that this notion is erroneous, and Leroy-Beaulieu has given it the *coup de grâce*.[2] Taxes on salt, sugar and staple articles of clothing cannot be altogether avoided by a retrenchment of one's consumption. In so far as the use of these articles is diminished, the imposition of the tax compels the citizen to sacrifice desired enjoyments. This is all that the payment of a direct tax necessitates, so that the position of the citizen is practically identical in both cases. The result is the same

[1] F. W. von Ulmenstein, Von Steuern und Abgaben, p. 161 (Erlangen, 1794); see Roscher, Finanzwissenschaft, p. 157; A. Ressi, Dell' Economia della specie umana (Pavia, 1820), quoted by Ricca-Salerno, p. 471; D. A. Wells, Principles of Taxation; see *Popular Science Monthly*, LI, 173, 174 (New York, 1897). Förstemann, p. 27, quotes Prussian decisions, of the year 1837, to the same effect. In 1787 the same idea was advanced by Hugh Williamson, who wrote: "The capitation tax and land tax, such as are usual among us, are inevitable and positive taxes: they are not to be averted. . . . But the excise is a negative or indirect tax."—*American Museum*, II, 122 (Philadelphia, 1787).

[2] Principles of Political Economy, bk. v, ch. vi, § 1; Traité de la science des finances, I, 279. *Cf.* Bastable, Public Finance, p. 330.

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when taxes are levied solely upon so-called luxuries. Moreover, direct taxes can be avoided with equal readiness and in a similar manner. The citizen can live in a poor house located in an undesirable quarter, and can thereby avoid the direct tax levied upon the comfortable dwelling which he would otherwise have desired to occupy. He can cease to accumulate wealth, and may escape paying an income tax levied upon incomes that exceed five hundred dollars. Leroy-Beaulieu seems to be entirely justified in remarking: "*Mais, d'abord, c'est faire une plaisanterie que de dire que les impôts indirects soient volontaires.*"

(9) A ninth distinct group may be recognized, although it is of slight historical and even less scientific importance. Direct taxes are defined as those imposts which are demanded from citizens in definite amounts and indirect taxes as those paid according to special circumstances, without a determination of the exact sums due from each individual.[1] This definition has no significance for scientific purposes.

(10) Finally, it may be noted that our nine groups of definitions do not include all the economists who have employed this distinction. Thus, A. Marescotti[2] has defined direct taxes as imposts which fall upon immovables and indirect as imposts that reach movables — a definition which has no possible economic value and must lead to a most singular grouping of taxes.

Prof. R. T. Ely has retained the distinction, while he has appreciated the shortcomings of the various methods of formulating it. Without attempting to find a new scientific basis for the classification, he has called taxes direct when they reach real property or income and indirect when they are laid upon articles of drink, food and clothing. Around these principal

[1] G. H. Borowski combines this element with others in his definition of direct and indirect taxes. See Abriss des praktischen Kameral- und Finanzwesens (Berlin, 1799), quoted by Förstemann, p. 23. A. H. L. Heeren formulated the distinction more clearly in his Ideen über die Politik, I, 227 (2d ed., Göttingen, 1804), quoted by Förstemann, p. 23. M. von Prittwitz also used this definition in his Grenzen der Civilisation, p. 301 (2d ed., 1853), quoted by Förstemann, p. 24. Finally, J. B. Say and others have spoken of direct taxes as demands of definite portions of an individual's revenue, *etc.*; see Say, Treatise on Political Economy, II, 268 (1st Amer. ed.).

[2] Sulla economia sociale (Florence, 1856), quoted by Ricca-Salerno, p. 541.

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taxes he has grouped as direct all taxes upon trades, occupations, persons and all forms of property except common articles of consumption, while he includes all imposts on transactions with the indirect taxes.[1] This classification seems to follow closely the usage that has been most common in the United States, and makes it possible to contrast the familiar points of difference in the effects of various forms of taxation; but it cannot be considered a rigorous, scientific definition.

IV.

The difficulties and uncertainties of all attempted classifications have induced many economists to abandon altogether such a distinction. J. C. L. Simonde, as early as 1819, declared that the terms had no meaning outside of the Physiocratic doctrines.[2] A few years later Lieber, who offered a definition of direct and indirect taxes, admitted that the division was not a consistent one.[3] In 1862 Cherbuliez complained of the different meanings given to the words, and made no use of such a distinction.[4] Dudley Baxter then urged that the definition cannot furnish a trustworthy classification.[5] Henry Sidgwick abandoned the terms, considering that they were "liable to mislead the student, by ignoring the complexity and difficulty of the problem of determining the incidence of taxation."[6] W. Vocke adopted a similar course, because such a twofold division of taxes cannot be adjusted to his threefold grouping of public imposts.[7] Cohn says that, since the time of the Physiocrats, all writers have departed from this simple scheme of classification in proportion as they have acquired a greater knowledge of the facts of taxation.[8] Block concedes that the

[1] Taxation in American States and Cities, pp. 66–69.
[2] Principes d'économie politique, II, 479 (2d ed., Paris, 1827).
[3] Encyclopædia Americana, XII, 155.
[4] Précis de la science économique, II, 405 (Paris, 1862).
[5] Taxation of the United Kingdom, p. 21 (London, 1869).
[6] Principles of Political Economy, p. 567 (London, 1883).
[7] Die Abgaben, die Auflagen, und die Steuer, p. 7 (Stuttgart, 1887).
[8] Finanzwissenschaft, §§ 326–332.

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distinction has merely an administrative importance, while Cauwès holds that it is not precise enough to serve as a basis for a logical classification.[1] Most recently Eheberg has said that it would be best to abandon entirely this distinction.[2]

It has been shown that all attempts to distinguish direct from indirect taxes offer more or less serious difficulties and fail to attain that exactness and completeness which are necessary for purposes of strictly scientific definition. Some of the distinctions are not tenable for a moment; others promise well, but lead us into trouble sooner or later. Of all the definitions only those of the first group are based upon criteria that have sufficient economic importance to lead to useful scientific results. But the distinction here suggested cannot be applied with entire precision and consistency.

In view of such facts it would seem best for economists to abandon the terms direct and indirect taxes. But such a course is not free from difficulty. The words have been so long fixed in popular usage, and have been given such importance in administrative, and even constitutional, law, that it is doubtful whether the near future will see such a radical change effected in our terminology. Under such circumstances the economist may be obliged to retain these troublesome terms. If so, he should never fail to emphasize the difficulties and uncertainties of the definition. If such a compromise with popular and legal usage compels the retention of the distinction, it seems best to follow the definition based upon the usual and normal facts of incidence, as Wagner and Bastable have counseled. This definition offers convenient terms for describing large groups of taxes, and need not lead to error, if care is taken to consider individual cases. For American and English writers such a course offers a manifest advantage, in that it follows closely the usage that has prevailed since the early years of the present century.

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[1] Progrès de la science économique, II, 415; Cours d'économie politique, IV, 346.
[2] Finanzwissenschaft, p. 153 (4th ed., Leipzig, 1895).

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MOVEMENTS OF PRICES.

ECONOMIC well-being consists in the individual's command over the necessaries, comforts and luxuries of life. This power of command is measured by his income, which is expressed in terms of money and is called wages, salary, interest, profit, rent, *etc.* How far this income will go is determined by the prices of commodities and of personal services, also expressed in terms of money. Fluctuations of income are of direct importance to each individual. Fluctuations in prices are of equal importance, or rather they are the same thing, for they increase or diminish real income. Economists recognize this fact when they speak of real wages as contrasted with nominal or money wages, and they have labored with great zeal at this distinction.

Individuals are keenly alive to movements in the prices of those commodities in which they are interested. The producer who buys raw material and turns out finished products exercises his skill and business sagacity in taking advantage of low prices for his purchases and high prices for his sales. The relation between the two determines his profit. The market price of great staples like coal or iron determines the investment of capital in mines, foundries, *etc.*, or its withdrawal — determines, that is, the expansion or restriction of these enterprises. The condition of the prices of such staples is, moreover, often looked upon as a barometer of general trade prospects. When, after a period of depression, the price of iron begins to rise, the change denotes increased demand, which means increased activity, not only in the production of iron, but also in railroads and in all other industries using iron.

Prices often have wide-reaching importance socially, as well as economically. Thus, low prices of agricultural products lead in England to reduction of rents, embarrassment of landlords and abandonment of farms; in Ireland, to inability to pay even "fair rent" and to further revision of rent; in the United

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States, to discontent and repudiation of mortgage indebtedness, to silver crazes and populist programs; in Germany and France, to duties on cereals and meats and to a general protective policy. A high price of bread is a fruitful cause of political revolution.

Of greater importance is the phenomenon known as a general rise or fall in prices — a change in the whole price-level. Some of the more marked changes of this character — notably those which occurred in the later period of the Roman Empire, in the period following the discovery of America (especially after the opening of Potosi, 1545) and in the twenty-five years following the California gold discoveries — have been exploited as historic illustrations of the effect of a decrease or increase in the supply of money. The most recent of these changes in price-level — the great fall since 1873 — has led to the bimetallic movement and the free-silver struggle in the United States. In these last struggles enormous interests have been supposed to be involved. It is asserted that the well-being of whole classes has been affected; that the system of deferred payments has been so dislocated and distorted as to work grievous injustice; and that the community at large is undergoing the agony of slow but sure decadence and death. "The permanent industrial crisis" is the mildest term which has been used to describe the situation; and the fall of the Roman Empire — which, in accordance with Allison's theory, is attributed to scarcity of money — has been declared to afford the closest analogy to the probable future of the modern world.

The attempt to prove these statements rests upon three theses:

(1) That we have a scientific apparatus for determining and measuring changes in price-level.

(2) That we can trace the effect of such changes upon the community, upon classes and upon individuals.

(3) That our theory of money is sufficiently precise to enable us (*a*) to determine the relation between money and prices; (*b*) to control prices by manipulating money; and (*c*) to remedy in this manner any evil effects which we may have discovered.

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The intense interest felt in this subject during the last twenty-five years has led to remarkable activity, both in the development of pure theory and in the study of experience, for the purpose of elucidating the above problems. This activity has not been thrown away. While all three problems probably appeared simpler twenty-five years ago than they do now, we have become aware of limitations to theory and imperfections in method which are of the utmost importance. It cannot be said, however, that our knowledge is as yet in a satisfactory state: discussion has, indeed, revealed great diversity of opinion. But it has sifted out a good deal that was superficial; and, while that which is left has lost the simplicity which came from superficiality, it is none the less valuable on that account. As the problem of prices is of perennial interest and as the money question cannot yet be said to be settled, even for the immediate future, it may be useful to put in concise form the results of the discussion up to the present time. In this paper I shall consider the general subject of movements of prices and the way we measure them, reserving for a future time the more practical questions as to the effect of changes in prices and the relation between money and prices.

Index Numbers. — We have numberless records of prices. Every sale of commodities involves a price; and, wherever credit is given, each transaction results in an entry on the merchant's books. Further, we have markets and exchanges where prices are recorded from day to day, or even from hour to hour, or from moment to moment. We need a method which will gather together these individual phenomena into a formula or expression that will enable us to study general changes in prices and to correlate such changes with other facts of the economic world. The necessary steps in this procedure are: (1) to constitute representative prices for single commodities for a given period, such as a day, a week, a month or a year; (2) to arrange these prices so as to show proportionate changes from period to period, as from year to year or from decade to decade; (3) to combine the prices of a sufficient number of commodities, so as to get a general price-level, for the purpose of detecting

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general movements of prices. The expression thus obtained is known as an index number.

The construction of an index number is comparatively simple and is illustrated by Mr. Sauerbeck as follows:[1]—

Take the average price of English wheat for a certain period (in this case 1867–77) as a base. Then compare the price in any other year with that of the basal period and calculate the percentage. Thus:

INDEX NUMBERS FOR ENGLISH WHEAT.

		s.	d.	INDEX.	
Average	1867–77	54	6	100	average point.
"	1855	74	8	137	or 37 per cent above the average point.
"	1897	30	2	55	or 45 per cent below the average point.

The index number is a simple percentage based on the average. When the prices from year to year of an important commodity, like wheat, are arranged in this way, or are depicted graphically by a falling or rising line, we have a presentation of the course of prices which is especially interesting when extended over long periods. We can calculate a similar index number for any other commodity of which we can get prices The results, however, may be more or less contradictory; for the prices of some commodities may rise, while those of others fall; or they may rise and fall together, but in varying degree.

To form a general judgment as to whether, on the whole, prices have risen or fallen, there are two devices open to us. A very simple one is to compare the numbers that have risen with the numbers that have fallen. This device is employed by Professor Falkner, who, comparing the wholesale prices of 223 commodities in 1891 with their prices in 1860, finds that 61 commodities have risen in price, 9 have remained stationary and 153 have fallen. This shows, of course, in a general way a greater tendency to fall than to rise. Much, however, depends upon the articles chosen. Thus, out of 153 articles

[1] *Journal of Royal Statistical Society*, LXI, 156 (1898).

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which, according to Professor Falkner's table, have fallen in price, no less than 25 are different kinds of jackknives.[1] This method is not a convenient one, especially when continued from year to year.

A second device is simply to average the index numbers of various commodities, and thus to obtain a general index number for all the commodities observed. Mr. Sauerbeck illustrates this procedure as follows:

INDEX NUMBER BY GROUPS OF COMMODITIES. (1897.)

		TOTAL.	AVERAGE.
1. Vegetable food (wheat, flour, corn, barley, oats, maize, potatoes and rice)	8 index nos.	480	60
2. Animal food (beef, mutton, pork, bacon and butter)	7 " "	554	79
3. Sugar, coffee and tea	4 " "	209	52
Foods	19 " "	1243	65
4. Minerals (iron, copper, tin, lead and coal)	7 " "	460	66
5. Textiles (cotton, flax, hemp, jute, wool and silks)	8 " "	407	51
6. Sundry materials (hides, leather, tallow, oils, soda, nitrate, indigo and timber)	11 " "	678	62
Materials	26 " "	1545	59
General average	45 " "	2788	62

Such a table means simply this: that a certain aggregate of commodities — a bushel of wheat, a barrel of flour, a ton of iron, *etc.* — sold for such sums in the years 1867–77, and for such other sums in the year 1897, that these prices were related to each other as 100 to 62. Such a table does not show the effects of the change on the community or on different classes in the community, nor does it show the cause of the change. It gives us the general price-level of a particular year as compared with the standard period, showing whether the change has been upward or downward and how great it has been. By grouping the commodities we get further information — namely, that the fall in certain commodities has been greater or less than in others.

[1] Report of Senate Committee on Wholesale Prices, I, 56.

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If we now carry out our calculations for other years, we have a series of index numbers as follows:

SUMMARY OF INDEX NUMBERS. (1867–77 = 100.)

1878	87	1888	70
1879	83	1889	72
1880	88	1890	72
1881	85	1891	72
1882	84	1892	68
1883	82	1893	68
1884	76	1894	63
1885	72	1895	62
1886	69	1896	61
1887	68	1897	62

The same system may be carried backwards, and this has been done by Mr. Sauerbeck. In order to eliminate the frequent changes from year to year, we may, moreover, calculate a number for each decade, so as to have such a series as the following:

INDEX NUMBERS BY DECADES.

1818–27	111	1877–86	82	1883–92	72
1828–37	93	1878–87	79	1884–93	71
1838–47	93	1879–88	78	1885–94	69
1848–57	89	1880–89	76	1886–95	68
1858–67	99	1881–90	75	1887–96	68
1868–77	100	1882–91	74	1888–97	67

We have here a simple statistical device for expressing by a group of figures the complicated phenomena of prices. It expresses an objective fact — namely, that, on the whole, prices are higher or lower; or, rather, it enables us to affirm with some degree of precision that which common observation would confirm — namely, that things are (say) cheaper now than they were twenty-five years ago. It seems to be analogous to a record of crimes or of suicides, continued from year to year, which enables us to express a judgment that crime or suicide is increasing or decreasing. Such a figure may conceal in itself many estimates, approximations, imperfections and even positive errors, and may

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yet be sufficient for its primary purpose — to serve as a rough expression of a general movement. When we are not expressing a precise judgment or basing important positive social action upon such proof, we can take this rough index for what it is worth.

But it constantly happens that, after having reached a general formula of this sort, men become, as it were, fascinated by their own handiwork, and use the instrument for purposes for which it is unfitted. They forget all the assumptions that were introduced while it was in the making, and conceive that the final result expresses accurately and precisely what it is fitted to do only generally and roughly. An increasing rate of convictions for crime, for instance, does not necessarily show increasing criminality; for serious crime may be diminishing, while, owing to increased legislative activity or greater administrative efficiency, arrests for mere police offenses are increasing. On the other hand, a decreased criminal rate, brought about by the suppression of petty larceny but accompanied by an increase of offenses against morality, could not be viewed with satisfaction. Similarly, the crude average wage calculated by dividing the amount paid in wages in 1880 by the number of workmen employed, which contained almost every possible statistical fallacy and never had even the authority of the census officials behind it, has been used as the basis for all sorts of arguments about the rate of profit, the distribution of wealth and the oppressive character of the modern industrial organization.[1]

In like manner men have been fascinated by the index number. It has seemed to give us a grip upon the complex world of business about us in its most important manifestation. The concrete phenomena of prices, in all their bewildering variety, are here made objective and reduced to a measurable expression, so that we can manipulate them as we will. We can say that the index number proves that prices are higher or

[1] So widespread has been the use of this average wage that the Commissioner of Labor thought it wise to expose the fallacy in the *Bulletin of the Department of Labor*, March, 1896.

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lower, that prices are rising or falling, that certain things have become cheaper or dearer. This is a justifiable use of the index number. Then, however, it is but a step to say that certain persons or classes are better or worse off, *because* prices have risen or fallen, and to try to measure the degree of benefit or injury. Next, it is only a step further to attribute the rise or fall of prices to some other phenomenon — such as the decreasing production of gold, the demonetization of silver or the monopolistic control of industry — as the precise effect of a specific cause.

An examination of the technique of index numbers will show why they are fitted to perform the first of these functions, and what are the difficulties in the way of using them to solve problems of the second and third class. For this purpose we have abundant material. There are several series of index numbers which have been carried on with great care for many years. Sir Robert Giffen [1] ascribes the honor of inventing the device to Jevons, who arranged the prices in Tooke on the plan of index numbers, and based upon them his *Essay on the Depreciation of Gold*, which established his reputation as an economist.[2] Newmarch had already published the prices of twenty-two commodities in the *Journal of the Statistical Society* for 1859–61, and, using the average price for 1845–50 as a base, had calculated an index for each commodity. These quotations were afterwards continued in the *Economist's Annual Commercial History*, and a combination of these figures made up the famous *Economist* index number, using 2200 as a base (1845–50). Since then we have had Mr. Sauerbeck's index number, based on the wholesale prices of 45 commodities and published annually in the *Journal of the Royal Statistical Society*.[3] Another famous index number is that of Soetbeer, based for the most part on Hamburg prices.[4] Finally, we have Professor

[1] Testimony before the Gold and Silver Commission, First Report, Question 697.

[2] Republished in his Investigations in Currency and Finance.

[3] Exhaustively explained by Mr. Sauerbeck in the *Journal* for 1886.

[4] Contained in his "*Materialien*." An English translation was published in the Final Report of the Gold and Silver Commission, and also in U. S. Consular Reports, No. 87.

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Falkner's index number, based on the wholesale prices of 223 commodities, published in the *Senate Report on Wholesale Prices*, known as the "Aldrich Report."[1] Besides these there are numerous other index numbers.

Index numbers have been subjected to severe criticism, especially before the Commission on Gold and Silver, whose *Final Report* summed up the testimony for and against them (p. 21). Further, they have been subjected to a rigorous scientific analysis by a committee of the British Association for the Advancement of Science, whose memoranda, drawn up by Professor Edgeworth (*Reports* for 1887–90), constitute the most brilliant and exhaustive treatment, from the points of view of mathematics and of logic, of the whole question. Upon the basis of all this material, it is comparatively easy to point out those questions of technique in respect to index numbers which are of scientific interest.

Prices and Qualities. — The first question of technique — in itself of sufficient difficulty — is simply a practical one: namely, how to fix the price of each commodity that enters into an index number, and to be sure that the article known under a particular name, such as iron, tea or cotton cloth, continues to be always of the same quality;[2] for it is evident that if "tea" at one time means one quality and at a later period another, an apparent change in price means nothing.

Wholesale prices are commonly used for index numbers, because such prices can readily be obtained with some degree of precision. They are of value because of their publicity, from the fact that they are fixed by strenuous competition and on account of the magnitude of the transactions involved. They may be taken, in the first place, from official records (for example, the Gazette Prices of English Wheat), from trade lists of large firms (such as Pixley and Abel's Quotations of the Price of Silver), from market reports of commercial and trade papers, or from the books of business firms giving actual trans-

[1] Professor Falkner gives also a valuable study and comparison of other index numbers.

[2] See Falkner, "Theory and Practice of Price Statistics," in Publications of the American Statistical Association, III, 119, 1892.

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actions (Falkner's method). A second source of information is such records of the prices of certain standard commodities as are found in the accounts of the purchases of public institutions, such as hospitals, poorhouses, army and navy boards, *etc.* (Soetbeer and Falkner). A third expedient is to take the declared values of certain important articles of import or export, and divide the total values by the quantities, thus obtaining an average price (Soetbeer). Market prices for a certain date may be used (*Economist*) or the average of twelve monthly prices may be taken (Sauerbeck).

The question of quality is comparatively easy to solve, as regards the wholesale prices of standard commodities which are quoted on a market, though even here there are some changes. For instance, wheat is not always of the same milling quality from year to year; but here, as in other similar cases, it is comparatively easy to get expert business opinion upon the nature and importance of the change. Occasionally, too, some articles lose their relative importance and new articles come into use, so that it is expedient to make substitutions.[1]

All these difficulties are of minor importance when we look upon our index number simply as a rough indicator of changes in the price-level. They assume another aspect, however, when we consider the effect of such changes upon individuals, or affirm that a certain change is due to fluctuations in the quantity of money used as a medium of exchange. Retail prices are then of consequence, and changes of quality become of vital interest.

The Choice of a Basal Period. — To choose the right basal period for an index number is a matter of considerable consequence. The *Economist* and Soetbeer use as a base the period 1845–50 or 1847–50 — a time of low prices. Mr. Sauerbeck uses the period 1867–77, which is mainly a time of high prices. Mr. Falkner uses the single year 1860. The average of a period, however, seems better than the figure for any single year. If the base is low, a rise in prices will be accentuated;

[1] See the interesting testimony on these points by Messrs. Giffen and Sauerbeck before the Gold and Silver Commission (First Report).

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if the base is high, a fall in prices will be accentuated. Thus, entirely different impressions are produced by considering the index number for 1891 as 109.19, according to Soetbeer; 102, according to the *Economist;* 92.2, according to Falkner; or 72, according to Sauerbeck. Of course, with the actual figures, any number may be transposed to any other base; but this is a matter of some labor. As a rule, index numbers are used for supporting certain theses, and that one is chosen which makes the most striking showing for the end in view.

Choice of Commodities. — Ordinary index numbers vary greatly as to the number of commodities whose prices are used. The *Economist* has 22; Sauerbeck, 45; Soetbeer, 114; and Falkner, 223. At first blush, it would seem that we should have as many articles as possible. But, aside from the technical difficulties of getting the prices of a great number of articles and the increased risk of changes in quality, it may plausibly be affirmed that, if we pick out representative articles, especially raw materials, the prices of other articles, especially those manufactured from our representative articles, will probably vary in the same direction (at least), if not in the same ratio. Mr. Sauerbeck has experimented in this way and has found that the index number for 1885 would be:[1] —

Taking 45	principal articles	71.9
" 61	sundry articles, food and raw material	84.8
" 51	manufactured and partly man'f'd articles	73.6
" 157	articles	77.5

This seems to show that an additional number of articles affects the index number somewhat, but not to a very great extent.

Professor Falkner has experimented by reducing the four index numbers to the same base, — namely, 1860, — and finds that the index number for 1891 would be:[2] —

According to the *Economist*		(22 articles)	81.
"	" Sauerbeck	(45 ")	75.4
"	" Soetbeer	(114 ")	90.3
"	" Falkner	(223 ")	92.2

[1] Gold and Silver Commission, First Report, p. 321.

[2] Senate Report on Wholesale Prices, I, 226, 255, 295.

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Here again the introduction of a large number of articles seems to raise the index number.

In a similar way, Professor Pierson finds that, taking 1861–70 as a base, Soetbeer's number for the period 1881–83 shows scarcely any change in price-level, while Sauerbeck's shows a very considerable fall.[1] According to Pierson, Soetbeer's number is to be preferred, simply because it includes a larger number of commodities. Sauerbeck has answered that these additional commodities are, as a rule, of small importance and very eccentric in their variations.[2] Hops, for instance, rose from 255 in 1881 to 413 in 1882, and to as much as 517 in 1883, declining to 243 in 1885 and to 213 in 1886. That Soetbeer's numbers do not fall in 1882 and 1883 can be ascribed to the influence of this single article, since its rise affected the two years to the extent of 1.4 and 2.3 per cent, respectively. A striking example of the influence of a single quotation has been given by Professor Falkner.[3] His index number for all food-stuffs shows a rise from 100 in 1860 to 103.9 in 1891, and this rise is in marked contrast with the fall of the great mass of commodities. This is, moreover, a very important fact, since food is the most important item of consumption. But among the articles which go to form this important group are four kinds of fish. All of these show a rising price since 1860, and the single quotation of codfish gives an index number of 312 for 1891, on the basis of 100 for 1860. If, however, we exclude the single item codfish from the index number of food for 1891, it becomes 99.9; while if we exclude all four quotations of fish, the number becomes 94.9, and the rise of 3⅓ per cent is turned into the very considerable fall of 5 per cent.

All these considerations seem to show that, while almost any index number will give us the general course of prices, the evidence furnished by index numbers becomes more and more uncertain as we try to make it more specific.

Articles according to their Importance. — In an ordinary index number each commodity has an equal influence on the

[1] *British Economic Journal*, V, 109. [2] *Ibid.*, p. 161.
[3] Report on Wholesale Prices, I, 59.

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final average. The consequence is that a fall of 25 per cent in the price of wheat would be offset by a rise of 25 per cent in the price of indigo. In such a case the index number would not change, although of course it would be absurd to say that no change in price-level had occurred. This defect in ordinary index numbers has always been recognized. Accordingly, an attempt is sometimes made to offset it by introducing the same commodity more than once. Thus the *Economist* gives to cotton four numbers out of twenty-two; but, as has often been pointed out, this very expedient resulted in abnormally raising the *Economist* index number during the cotton famine of 1862–65. Again, among the 45 commodities in the Sauerbeck number, wheat is represented twice and flour once, while beef, mutton, sugar, iron, coal, cotton, wool and oil are each represented twice. This is evidently a very rough way of equalizing the importance of commodities.

A more scientific procedure is to seek a system of "weights" which shall adjust the relative share of each commodity in determining the final index number. The classical example of such a calculation is that of Mr. Palgrave, prepared for the Commission on the Depression of Trade. He took the *Economist* numbers from 1865 to 1885 and weighted each commodity according to its total value in the consumption of the United Kingdom. For instance, in 1885 the total value of wheat imported and home produced in England was estimated at 49,360,000 pounds sterling, while the net value of indigo (imports less re-exports) was roughly 600,000 pounds sterling. Wheat, therefore, was 82 times as important as indigo; and a rise of 1 per cent in wheat should count as much as a rise of 82 per cent in indigo. Other articles were estimated in the same way. For some the estimates were very difficult: the consumption of meat, for instance, was reached by taking the total number of cattle, sheep and pigs in the country and allowing an average mortality and an average price.

The chief question of interest is, how far this system of weighting changes the index number. An answer is given in the following table:[1] —

[1] Commission on Depression of Trade, Third Report, p. 328.

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ECONOMIST INDEX NUMBER SHOWING DIFFERENCE BETWEEN SIMPLE AND WEIGHTED AVERAGE.

YEAR.	SIMPLE.	WEIGHTED.	YEAR.	SIMPLE.	WEIGHTED.
1865–69	100	100	1878	87	95
1870	91	90	1879	76	82
1871	90	93	1880	87	89
1872	97	100	1881	81	93
1873	102	104	1882	83	87
1874	100	108	1883	80	88
1875	95	97	1884	75	80
1876	93	99	1885	70	76
1877	94	100			

Much has been made of this experiment, as confirming the accuracy of the general system of index numbers. It will, indeed, be observed that the changes in the two series usually correspond in general direction. The weighted average seems, as a rule, to remain somewhat above the simple; and in some cases — as, for instance, in 1878 and 1881 — departs considerably from it. This may be explained, however, by the small number of commodities (22) used by the *Economist*, which accentuates the difference between the two methods, when an important commodity fluctuates considerably in price.

A better test of the influence of weighting is furnished by Mr. Sauerbeck.[1] His ordinary number consists of the simple average of his 45 commodities. He is accustomed to test this in two ways. First, by a method similar to Mr. Palgrave's, he gives to each article a weight corresponding to its importance in the United Kingdom. The result for 1897 was that the weighted mean was 62.5, instead of 62, the simple mean. His second system of weighting is as follows: Take the quantity produced of each commodity — say, during the year 1897 — and, multiplying by the price, obtain the total value for the year 1897. Now, taking the same quantity, estimate what would have been its value at the price in the standard period, 1867–77. In this way find the sums of the values of all the commodities at the two periods, and the difference between

[1] *Journal of the Royal Statistical Society*, 1898, p. 154.

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the two must be due to a change in prices. For instance, the total value of these 45 commodities in 1897 was 464.2 million pounds sterling. The value of the same quantities at the prices of 1867–77 would have been 731.5 million pounds sterling. The proportion between the two is as 63.5 to 100. The proportionate price for 1897 — that is, the index number — is therefore 63.5, instead of 62, according to the simple average.

Many other experiments have been made in weighting index numbers. It has been shown, for instance, that it is not necessary to calculate the exact importance of the different commodities for each year. Thus, Mr. Sauerbeck uses in one calculation the average of importance for the three years 1894–96, and in a second calculation the average for the five years 1871–75. In the first case the index number for 1897 is 62.5, and in the second 62.6.

There remains one difficulty which no system of weighting will meet — namely, the case of new commodities coming extensively into use after the system has been constructed. The change from year to year will probably not be great, but eventually it will be considerable — as, for example, in the case of the introduction of petroleum for light. There seems to be no way of meeting this difficulty except by constructing a new base.

The necessary conclusion from all these experiments seems to be that, for the purpose of following roughly the general course of prices, almost any system of weighting, however imperfect, is sufficient. When we come to consider the effects of changes in the price-level and the relations between money and prices, however, the imperfections we have noted become of vital importance. Our "estimates" then betray their crudeness, and it becomes increasingly difficult and necessary to decide upon the relative importance of commodities.

Methods of Averaging. — A final point of technique is the method of averaging the various single index numbers so as to form the general index number. The method commonly used is the simple arithmetic mean. Where the commodities are weighted according to their importance, we have the weighted arithmetic mean, which is certainly more correct in principle,

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although in ordinary cases the two results are so nearly the same that the simpler method can be employed. On the other hand, Jevons, in his famous investigation on gold and prices, used the geometric mean, and defended it on the following grounds: If we have two commodities, one of which doubles in price while the other remains stationary, according to the simple arithmetic mean the average rise in price is 50 per cent: that is, the combined index number for the first period would be 100, and that for the second would be 150. The number 150, however, which is supposed to be the mean, does not bear the same per cent relation to 100 that 200 does to 150. The true mean is 141, which is 41 per cent above 100, just as 200 is 41 per cent above 141. This is the geometric mean.

This reasoning of Jevons was disputed by Laspeyres, who gave the following illustration: Suppose one ounce of gold buys either one pound of cocoa or one pound of cloves. Suppose, then, that the price of one commodity doubles, while that of the other sinks one-half. According to the geometric mean, the price-level remains unchanged. But what has really happened is that now it has become needful to pay two and one-half ounces of gold for the same commodities that formerly could be bought for two ounces: that is, it requires 25 per cent more money to buy the same commodities. The arithmetic mean of the index numbers 200 and 50 would be 125, indicating precisely this rise of 25 per cent. To this criticism Jevons made no adequate rejoinder, except to say that the geometric mean gave rather lower results than the arithmetic, and so was safer for his purpose — the study of a rise in prices.

Mr. Sauerbeck has experimented with the geometric mean on his index number, reaching the following results:[1]

According to the	1880	1894	1895
Geometric mean	87.0	60.9	60.4
Arithmetic mean	87.8	62.9	62.1
Average, weighted	87.3	62.0	60.8

Here the geometric mean gives a slightly lower figure than the simple arithmetic mean, but the results do not differ materially.

[1] *Journal of the Royal Statistical Society*, 1896, p. 193.

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Professor Edgeworth has come to the conclusion that the geometric mean is sometimes preferable, as diminishing the influence of extreme quotations, although the result is very much the same. Other methods of averaging (the so-called "median" and the "weighted median") have also been tried by Professor Edgeworth.[1] If we use the same data, however, the different methods seem to yield about the same results. In fact, Professor Edgeworth has experimented on the same data with seven different methods, and has reached the following index numbers for 1885: 70, 70.6, 73, 69, 72, 72, 69.5.[2]

Conclusion. — This remarkable agreement in the different methods of calculating index numbers has led to two conclusions. The first of these is expressed by Mr. Giffen as follows:

> The articles as to which records of prices are obtainable being themselves only a portion of the whole, nearly as good a final result may apparently be arrived at by a selection without bias, according to no better principle than accessibility of record, as by careful attention to weighting. . . . Practically the committee would recommend the use of a weighted index number of some kind as, on the whole, commanding more confidence. . . . A weighted index number in one aspect is almost an unnecessary precaution to secure accuracy, though on the whole the committee recommend it.[3]

A second conclusion which is sometimes drawn is that this consensus of results greatly strengthens the authority of the index number as a scientific method of accurately measuring changes in price-level. It has, however, been shown (again by Professor Edgeworth) that this is due simply to the general law of probability: in other words, that where we have an average drawn from a series of numbers, the divergences from that average, due to any system of weighting which is unbiased, will give approximately the same result. The error of any index number will be found to depend in a definite manner upon six distinct circumstances.

[1] British Association for the Advancement of Science, Report for 1889, p. 156.

[2] *Ibid.*, 1888, p. 197.

[3] As summarized by Professor Edgeworth in his article on "Index Numbers," in Palgrave's Dictionary of Political Economy.

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The erroneousness of the result is greater, the greater the inaccuracy of the data; *viz.*, the weights and the (comparative) prices. The erroneousness of the result is also greater, the greater the inequality of the weights and the greater the inequality of the price-returns. Lastly, the result is more accurate, the greater the number of the data, and the smaller the number of omitted articles. These circumstances are not all equally operative. Other things being the same, the inaccuracy of the price-returns affects the result more than the inaccuracy of the weights; and the inequality of the price-returns more than the inequality of the weights.[1]

We are not here concerned with the proof of these theses, so brilliantly demonstrated by the author of the memoranda referred to. We have already seen that the different numbers do vary considerably from each other, that the price-returns are liable to inaccuracy, that the number of articles varies considerably and that the weighting is dependent upon rough estimates of the importance of the articles in production and consumption. The general agreement of the numbers is sufficient to confirm us in the use of the index number as a general indicator of the direction of changes in price; but the differences in the results show us that the method is inadequate to give us the exact measure of the change. The criteria laid down by Professor Edgeworth show us that in order to study the effects of price-changes on classes and individuals we must have, besides the information afforded by the ordinary index number, the following additional data:

(1) Some idea of the connection between retail and wholesale prices, in order to bring the movement of prices into direct connection with the cost of living for the individual;

(2) Some method of estimating the relative importance of single commodities in the expenditure of the individual;

(3) Some estimate of changes in income, or statistics of wages, in order to measure the effect of changes in price-level on the real economic condition of the individual.

These things remain to be examined.

RICHMOND MAYO-SMITH.

[1] Report of British Association, 1888, p. 197.

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EDUCATIONAL QUALIFICATIONS FOR THE SUFFRAGE IN THE UNITED STATES.

A SOMEWHAT heated debate which occurred last year in the United States Senate, over the proposed educational test to be required of immigrants,[1] brought out clearly the puzzling variety of state laws upon which our Federal suffrage rests. The discussion made equally obvious the fundamental disagreement of our lawmakers as to the nature or basis of the suffrage. In attacking the proposed test its most vigorous opponent urged :

> The whole principle upon which these requirements are made, either in New England or in the States, of literary qualifications for the exercise of any right, is a crime against humanity. In some of the New England States they require that men should be able to read and write.

This called from a New Hampshire senator the hasty apology: "I believe there is only one New England state does so,— Massachusetts." Apparently ten New England senators were present, yet this shamefaced attempt of the New Hampshire statesman to defend New England from the charge of narrowness called forth no comment, and the attack was continued upon "the fatal example of Massachusetts, which has furnished a precedent for much of the history of the South." Inasmuch as Massachusetts was not the state to set this fatal example, and as these qualifications now obtain, not in one alone, but in three of the New England states, while in other sections of the country they have in recent years been gaining in favor, a sketch of the history of the adoption of such measures and a comparison of those laws which in different states are now conditioning our common Federal suffrage may not be untimely.

[1] *Congressional Record*, February 18, 1897.

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I.

The first step toward the requirement of an educational test for voters was taken by Connecticut in 1854. This was the year in which the tide of immigration, rising rapidly since 1847, reached its flood, not to be surpassed for a score of years. The states which were being overrun by these hordes of newcomers stood aghast at the magnitude of the new problems forced upon them. The spirit of nativism revived. It is doubtful if any council of the Know-nothing order, soon destined to be all-conquering, had as yet been established in Connecticut, but the times were fully ripe for its rapid growth. It was thus not in a legislature actually elected by and composed of members of a formally organized "American" party, but in a legislature filled with grave nativist apprehensions, that the lower house by a heavy vote proposed an amendment to the constitution, requiring that every person "be able to read any article of the Constitution, or any section of the statutes of this State, before being admitted an elector."[1] The proposed amendment lay over until the next year. Meantime the state was overspread with a mushroom growth of Know-nothing councils. The new legislature was overwhelmingly "American," and the amendment was passed in each house by a majority far exceeding the two-thirds required by the constitution.[2] A few months later it was ratified by the people with a decisive vote.[3] While its success was largely due to the Know-nothing agitation, it drew to its support men of all parties. Even in the cities the opposition numbered few more votes than those of the foreign-born. Every county gave a majority in its favor, and in less than one-third of the towns was it voted down.

During the next forty years this section of the constitution was variously construed by boards for the admission of electors in the towns of the state. In 1895 a law was passed providing that the reading should be "in the English language." Two

[1] June 21, 1854, vote, 114 : 81.

[2] May 23, 1855, Senate, 17 : 2; May 31, 1855, House, 156 : 57.

[3] 17,275 : 12,518. — *Connecticut Courant*, September 30; October 5; October 20, 1855.

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years later, by a majority of ten to one, the people ratified an amendment embodying this requirement.

At first thought it may seem strange that the precedent in this restrictive legislation was not set by Massachusetts, the commonwealth in which the burdens and difficulties entailed by the rapidly increasing immigration and by the growth of cities were so much more onerous than in any other state.[1] Nowhere else did Know-nothingism run such a triumphant course. Perhaps it was the very intensity of the nativist spirit which postponed the adoption of the educational qualification, for in that strange congeries of lawmakers which met in Boston in 1855 antipathy to foreigners was so great that the majority could not be persuaded to support a simple test of intelligence.[2] Perhaps it was feared that inroads might thus be made in the ranks of "Americans." At any rate, the proposed amendment requiring ability to read and write the English language was voted down in favor of a clumsily drawn bill, rushed through on the last day of the session, excluding from the franchise all who had not been for twenty-one years resident in the United States and legally naturalized. This proposal, however, met with well-merited defeat at the hands of the next legislature. It was not until 1856, when the Know-nothing ardor had very much abated, that the legislature gave its sanction to the requirement of ability to read the constitution in the English language and to write one's name as a prerequisite to registration as a voter. Careful provision was made against disqualifying any person on account of physical disabilities, and the test was not to be exacted of any who should already be voters or who should be over sixty years of age at the time when the amendment should take effect. Despite the rapidly waning influence of Americanism, this amendment passed both houses of the following legislature by greatly increased majorities,[3] and was ratified by the people by a majority of about two to

[1] G. H. Haynes, "Causes of Know-nothing Success in Massachusetts," *American Historical Review*, October, 1897.

[2] G. H. Haynes, "A Know-nothing Legislature," Proceedings of the American Historical Association, 1896.

[3] 1856, House, 188 : 94 ; Senate, 26 : 4 ; 1857, House, 266 : 43 ; Senate, 30 : 5.

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one.[1] Although regarded as an "American" measure in origin, the independent press for the most part did not oppose it.[2] The lightness of the vote showed that the mass of the people felt little interest in its fate.

It was not until a generation later that the people of Wyoming adopted the educational qualification.[3] In the constitution under which that state was admitted to the Union was incorporated the provision: "No person shall have the right to vote who shall not be able to read the constitution of this state." The Supreme Court of Wyoming has decided that this reading must be in the English language.[4] Two years later the citizens of Maine ratified a constitutional amendment copied almost *verbatim* from the Massachusetts amendment of 1857.[5] The opposition, both in the legislature and at the polls, was entirely insignificant. Both in Maine and in Wyoming careful provision was made against the disfranchisement of any person because of any physical disability. Equally conservative is the new requirement in Delaware.[6] The would-be voter must be "able

[1] *Worcester Palladium*, May 6, 1857.

[2] Of the *Boston Daily Advertiser*, the *Worcester Palladium* and the *Worcester Daily Spy*, the first two remained entirely neutral, while the *Spy* opposed the amendment strenuously as "proscriptive, absurd, and contrary to natural right."— April 28, 1857.

[3] Constitution adopted at Cheyenne, September 30, 1889, Art. VI, Sec. 9.

[4] The debates of the convention show that the author of this proposition referred to the section of the Massachusetts constitution as being similar, except that it adds the words, "in the English language." Upon the expediency of this specific requirement the framers of the constitution were divided, and it was omitted. In ratifying the constitution, it is probable that the people thought that those who could read it only when translated into a foreign language should be entitled to vote. As a matter of fact, in the elections of 1892, 1894 and 1896, in every precinct of Wyoming except two, men of foreign speech voted unchallenged. In 1896, however, the question was brought before the courts in a case arising out of votes cast by native Finlanders who could read no English. The Supreme Court's decision was that, six years' usage to the contrary, a translation into a foreign language is not to be regarded as a copy of the constitution, and that "no person is able to read the constitution who cannot read it in the English language." (Rasmussen *vs.* Baker, 50 Pacific Reporter, p. 819. This decision served as a precedent in two similar cases, Blydenburgh *vs.* Chatterton and Irons *vs.* Clark.—November 15, 1897.)

[5] Amendment XXIX. House, 114:11; Senate, 26:1.— *Maine State Press*, April 2, 1891.

[6] Constitution of Delaware, 1897, Art. V, Sec. 2.

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to read this constitution in the English language and write his name"; but this test does not apply to any person who by reason of physical disability shall be unable to comply with it, and two and a half years' warning is given before the law goes into effect. In Rhode Island the revised constitution, soon to come before the electors for ratification, requires that every voter shall be "able to read this constitution in the English language, and write his name."[1] In California, too, this subject has been recently mooted. In November, 1896, the voters rejected by a rather close vote a proposed amendment providing that no person who should not be able to write his or her name should ever exercise the privilege of an elector in that state. The vote upon this amendment was far larger than that upon any of the others submitted to the people at the same time;[2] but as equal suffrage to women and the perpetual exclusion of all natives of China from the suffrage were also involved in this "Omnibus Bill," its failure is not to be interpreted as a rejection of the principle of the educational qualification.

In two states, then, educational qualifications were adopted in the middle of the century, when nativism was at its height; while in three others practically the same restrictions have been adopted many years later, not in the heat of passion or as a party measure, but simply because they have been considered a step toward the elevation of the voters' plane of intelligence.

Meantime, this "fatal precedent," not of Massachusetts but of Connecticut, had been noted elsewhere, and preparation was made to follow it in letter, if not in spirit; for to some of the southern states this test seemed to offer a hint for the solution of their gravest problem in government. In Mississippi, the home of the president of the Confederacy, the process of "reconstruction" had been peculiarly exasperating to the feelings of the whites; and with a negro element amounting to nearly 69 per cent of the entire population, the problem of local government was certainly one of serious difficulty. In 1864 Lincoln had suggested to the governor of Louisiana that it might be advis-

[1] Revised Constitution of Rhode Island, Art. II, Sec. 2. To be voted on November 8, 1898.

[2] The vote stood 110,355 : 137,099.

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able to extend the suffrage to the "very intelligent" among the negroes. A year later Johnson advised Mississippi to give the vote to negroes who possessed a little property and could read and write. But Mississippi was unwilling to make any such concessions, and, as a result, had to accept a constitution which admitted to the suffrage all male citizens of the United States possessing certain qualifications of age and residence, and prohibited any imposition of a property or educational qualification before 1885.[1] Outnumbered heavily as the whites were, only ten years had passed before they had found means by which to secure political control. But the vanquishing of ignorance and inexperience by intimidation and fraud was not an inspiring spectacle; and in 1890 it was recognized, by Democrats and Republicans alike, that the gravest task which the constitutional convention had to face was the "devising of some means of putting a check in the text of the constitution upon ignorance and corruption."[2] The convention was in the hands of the moderates. The committee on the elective franchise was recognized as the most important, and its thirty-five members included the only negro in the convention. After much debate over various propositions, by a vote of 74 to 47 there was embodied in the constitution a clause declaring that:

> On and after the first day of January, A.D. 1892, every elector shall, in addition to the foregoing qualifications, be able to read any section of the constitution of this state; or he shall be able to understand the same when read to him, or give a reasonable interpretation thereof.[3]

On the first day of November, 1890, this constitution was ordained and established by the convention, without being

[1] "The Problem of 1890," *The Nation*, July 30, 1890. The reconstruction acts bearing upon negro suffrage are those of March 2, 1867, and March 23, 1867. As a prerequisite to the admittance of representatives to Congress and the withdrawal of military government, "it was required that a state constitution should have been framed by a convention chosen by all male citizens of the state 'of whatever race, color or previous condition,' and that, in that constitution, the same qualifications for the electoral franchise should be ordained." — Wm. A. Dunning, Essays on the Civil War and Reconstruction, p. 124.

[2] Ex-Governor Alcorn (Republican), quoted by *The Nation*, September 4, 1890.

[3] Art. XII, Sec. 244.

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referred to the people at the polls. Of the 133 delegates only three refused to sign.

In applying the educational qualification to the problem of local government, South Carolina has followed Mississippi's lead, but in several important respects she has "bettered the instruction." Here again was a state, 60 per cent of whose population was of negro descent, yet whose government had been brought into the hands of the whites. In the campaign which preceded the assembling of the constitutional convention in 1895 the question of the franchise was constantly to the fore. Some of the papers of the state were singularly blunt in their statement of the problem. Said the *Charleston News and Courier:*

> Nobody tries to conceal it, nobody seeks to excuse it. It is not meant to disfranchise every negro in this state — there are some of them who are qualified by education and property to vote — but it is intended that every colored voter who can be disfranchised without violating the higher law of the United States Constitution shall be deprived of the right to vote. On the other hand, it is meant to disfranchise no white man, except for crime, if any way can be found to do it without violating the United States Constitution.[1]

Yet the northern press was little excited over the prospect of such a change. The elections of delegates were not closely contested. In some precincts the polls were not opened; in others there was no voting, for it was foreseen that the Tillmanites would secure control. Of the 159 members 153 were Democrats and six Republicans — the latter being negroes. Various schemes of suffrage restriction were suggested: an educational or a property qualification, or a combination of the two; plural voting, giving an additional vote to the property holder as such and allowing votes to women property holders, to be cast by their husbands or male representatives. Barefaced measures were not lacking: the convention early voted down a proposition to exclude the blacks from office altogether. The result of all this deliberation was a strange set of options. Until January 1, 1898, applicants for registration as voters were

[1] Quoted in *The Nation*, October 31, 1895.

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to be able to "read any section of the constitution submitted to them by the registration officer." All those registering before the above date become permanent voters. After that date, however, the applicant was to be registered only provided

he can both read and write any Section of this Constitution submitted to him by the registration officer or can show that he owns and has paid all taxes collectable during the previous year on property in the State assessed at three hundred dollars ($300) or more.

Here, as in Mississippi, the new constitution was ratified by the convention which framed it, without being referred to the people at the polls. This method is not without precedent in a number of our states, but it is in striking contrast with the provisions of South Carolina's prior constitution, which required for a proposed amendment a vote of two-thirds of the members of each house of the legislature in two successive years, together with a vote in its favor by a majority of all the voters of the state before it came before the legislature the second time.[1] Although this suffrage legislation was far more radical than that of Mississippi, it did not call forth so much protest. It may be that the gravity of the problem had come to be better appreciated and that candid men were questioning whether the attempt by law to exclude illiterates from the suffrage was a much more high-handed proceeding than the giving over of a conquered section to the rule of illiterate masses with no training in self-government and thus the foreordained prey of the demagogue.[2]

[1] It is to be remembered, however, that this constitution was framed in the Reconstruction period.

[2] It is to be remembered that, while Congress was insisting upon the negro's enfranchisement at the South, northern states were far from eager to accept it. Thus, Ohio, Michigan, Minnesota and Kansas rejected it, and the party which triumphantly elected Grant in 1868 adopted as the second plank in its platform the following: "The guarantee by Congress of equal suffrage to all loyal men at the South was demanded by every consideration of public safety, of gratitude and of justice, and must be maintained; while the question of suffrage in all the loyal states properly belongs to the people of these states." (Stanwood, Presidential Elections, p. 258.) It was less the following out of abstract theories of equality than the attempt to solve a very practical problem in politics which led to the giving of the ballot to the negro. See Dunning, Essays on the Civil War and Reconstruction, pp. 227, 251.

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Louisiana affords the most recent and the most ingenious example of educational qualifications "with a purpose." The constitutional convention which met February 11, 1898, had as its main cause of being the task of making negro domination impossible by disfranchising the blacks so far as this could be done without running foul of constitutional snags. Ten days were assigned to this task; but so knotty a problem did it prove that, after struggling with it for fifty days, the convention had to vote itself more money and several added weeks of life. Something like thirty suffrage plans came under discussion. The Mississippi and the South Carolina plans both had strong backing but were voted down, the convention taking the ground that it wished to settle the suffrage question fairly and honestly. A provision disfranchising all who could neither read nor write, and who did not own and pay taxes on property to the value of $300, lost its attractiveness when it became known that the application of such a test would disfranchise 20,000 white voters. Resort was finally had to options. Under the first of these, each would-be voter is required to demonstrate his ability to read and write by making written application for registration in the English language or in his mother tongue. This application is to be

> entirely written, dated and signed by him in the presence of the registration officer or his deputy, without assistance or suggestion from any person or any memorandum whatever except the form of application herein set forth.[1]

If a would-be voter cannot read and write, he may be registered, under the next option, upon proving that he owns and has paid taxes upon property assessed to him in Louisiana at a value of not less than $300.[2] The first of these provisions could be relied upon to disfranchise the bulk of the negroes, but thousands of whites would also be excluded. The second clause

[1] Constitution of Louisiana, adopted May 12, 1898, Art. CXCVII, Sec. 3. The prescribed form of application contains about seventy-five words. An applicant who does not know English may write the application in his mother tongue at the dictation of an interpreter. A man prevented from writing by physical disability may, upon making oath to that disability, dictate his application.

[2] Art. CXCVII, Sec. 4.

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would cut still further into the votes of both races. Hence the demand that the convention's purpose should be gained with more directness and certainty took form in a third option, the object of which is not far to seek. So novel are its provisions that it deserves quotation at length.

SEC. 5. No male person who was on January 1st, 1867, or at any date prior thereto, entitled to vote under the Constitution or statutes of any State of the United States, wherein he then resided, and no son or grandson of any such person not less than twenty-one years of age at the date of the adoption of this Constitution, and no male person of foreign birth, who was naturalized prior to the first day of January, 1898, shall be denied the right to register and vote in this State by reason of his failure to possess the educational or property qualifications prescribed by this Constitution; provided, he shall have resided in this State for five years next preceding the date at which he shall apply for registration, and shall have registered in accordance with the terms of this article prior to September 1, 1898, and no person shall be entitled to register under this section after said date.[1]

When this plan was first broached in the convention, counsel was taken of the two Louisiana senators. It is said that they both pronounced it unconstitutional, and declared that they could not defend it against attacks in the Senate. Other Democratic senators expressed the same view;[2] but the convention finally adopted the questionable provisions, taking care, however, to put them in a section by themselves, so that, in case they do not survive a bout with the courts, the remaining provisions may come out unscathed. If this section stands, its effect is obviously to relieve from subjection to the educational and property qualifications practically every white voter within the state, while letting these tests apply with full force to the negroes. Separate registration is to be made of those who choose to register under this provision. As the time limit for such registration is reached August 31, 1898, while the other qualifications do not come into force until January 1, 1899, it will be of interest to see how large a white vote is retained by this piece of artful dodging.

[1] Art. CXCVII, Sec. 5. [2] *New York Sun*, May 22, 1898.

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II.

There has been not a little contrast in the spirit and methods in which these tests have been applied. Thus, while the constitutions of Connecticut and Wyoming are silent as to the status of those already admitted to the suffrage before the adoption of this test, in Massachusetts, Maine and Delaware most careful provision is made that no person already a voter shall be disfranchised. But in Mississippi, South Carolina and Louisiana — except as regards white voters in Louisiana — no such provision is to be found; indeed, its insertion would in large measure have removed the very motive for the amendment, for in these states the problem was not how to deal with a future increment of ignorance, but how by constitutional restrictions to keep from the ballot box a vast number of voters of proved incapacity for self-government. That, as a matter of "practical politics," the law makes it possible for the registration officer to test fitness for the voter's privilege according to the color of the applicant's skin is not to be denied. But Northern disapproval, cool-blooded and remote, of such race discrimination cannot belittle the seriousness of the problem. Of the three states which adopted these tests, not as safeguards against a future danger but with the definite purpose of purging the voting lists of illiterates, Mississippi was the most liberal, for she allowed more than a year after the promulgation of the constitution before its restrictive qualifications went into effect, and then insisted simply on ability to read the constitution or to give a reasonable interpretation of its provisions. South Carolina, on the other hand, put this same test in force immediately, with the warning that after two years the qualification would be stiffened by requiring in addition the ability to write any section of the constitution, while at the same time the "interpretation" option would be withdrawn, a sizable property qualification becoming the only alternative for the would-be voter who should fail to meet the most exacting educational test which had thus far been imposed in any American state.

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In each of these states the law is so framed as to make all depend upon the spirit and integrity of the officer in charge of the election machinery. A negro of wide outlook who is engaged in most successful educational work among his own people writes me :

> If the restriction had applied with equal force to both the illiterate white vote and the illiterate negro vote we would not have complained. The negroes throughout the South are ready for a fair educational test and rather desire it. This educational test [in Mississippi] is working a benefit, and is helping the negro in the respect that he is now giving his time and attention to getting property and education.

The same writer is of the opinion that in practice "those who administer the law in respect to voting do discriminate against the negroes," and that thus the proportionate influence of the negro vote is very largely diminished. He thinks that in Mississippi not less than four-fifths of the negro voters have been disfranchised under this qualification. This rough estimate is supported by the official statistics of elections. In 1896, when for the first time official notice was taken of race distinctions in the registration returns for the gubernatorial election, there were registered 105,101 whites and 15,268 negroes. The contrast is the more striking when it is recalled that in Mississippi the colored population exceeds the whites in the ratio of three to two. From the point of view of the party in power

> the franchise clause works well in Mississippi. So far from operating against the negro it is an incentive for his qualifying himself for suffrage. There are now fully 16,000 registered colored voters in this state, and that means intelligence and taxpaying.

So writes the present secretary of the state, in answer to my inquiries. This state official and this leader of the negro race thus agree that the present educational test is actually operating as a benefit to the negroes. Their only disagreement is as to the race prejudice which undoubtedly determined its form, and which has in some measure characterized its administration. Obviously the test puts no insurmountable

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obstacle in the way: the negroes are rapidly qualifying, and those who have valued the test as a barrier rather against negroes than against illiterates will find it a failing resource. Under the new conditions, however, it is to be anticipated that the negroes will show greater intelligence and independence than heretofore, and that the negro vote, being less a unit, will provoke less of race antagonism.

In applying the test varying methods have been adopted in the several commonwealths. The problem, of course, is to secure a genuine test and to prevent collusion between the voter and the registration officer. In the regulation of this process Massachusetts has been the most minute. There, in the first place, the registration board must be composed of members of more than one party, thus enlisting party jealousy in the cause of honest registration. The registrars are furnished by the secretary of the commonwealth with the constitution, printed on uniform pasteboard slips, each containing five lines printed in double small pica type. A full number of these slips are kept at all times in a special box, furnished by the state and so constructed that the box, with the slips concealed from view, may be revolved. From this box the candidate for registration must draw one slip and read the words thereon printed. After the return of the slip the contents of the box must be shaken up before the next drawing is made. These regulations may seem absurdly finespun, but the danger of cramming or of collusion warrants great precaution. In former years stories were told of specially primed candidates for registration who read with great glibness the opening sentences of the constitution out of the first chapter of Genesis!

III.

When Mississippi first brought these suffrage qualifications to bear upon the problem of local government, the Northern press made much outcry over the question of constitutionality. It was claimed that here was real though covert violation of the Fifteenth Amendment. Yet, although unjust discrimination

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between the races might characterize the administration of the law, obviously "race, color or previous condition of servitude" could in hardly any case be proved to be the cause of the exclusion from the suffrage. If the application of such tests was to be inhibited, it was evident that recourse must be had, not to the Fifteenth Amendment, but to that section of the Fourteenth which declares that when the right to vote at any state or Federal election

> is denied to any of the male inhabitants of such state, being twenty-one years of age and citizens of the United States, or in any way abridged except for participation in rebellion or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens twenty-one years of age in such state.

Against this provision, it is claimed, all of these states have offended in restricting their suffrage. Massachusetts, as well as Mississippi, each year excludes from the suffrage "male inhabitants of such state, being twenty-one years of age and citizens of the United States." Why, then, has not the penalty been inflicted? First, it may be answered, for lack of those who are willing to force the issue. There are not wanting individuals or political parties ready to decry in advance any educational tests as an unwarranted infringement of citizens' rights. But when once a state has adopted such qualifications it would be a thankless and inglorious contest which should aim to throw down the barriers and lay open the franchise to the illiterate. What party would dare make that an issue? But it is doubtless not so much the lack of champions as the obvious futility of attempting to apply the penalty provided by the constitution which explains inaction in the face of these restrictions. The problem involves too many unknown quantities. The basis of representation of the offending state, says the constitution, "shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens twenty-one years of age in such state." Granted that some census, state or national, may tell with the requisite accuracy the number of male citizens twenty-one years of age

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and over, what basis is there for estimating the number of those whom the educational test excludes from the suffrage? It is not the number of adult male citizens who are not registered; for indifference, illness, engagements and a host of other reasons have kept many from registering. Nor is it the number of those who have been rejected by the registration officers under the application of these tests; for the vast majority of those actually excluded foresee that result and never face the ordeal. No state desirous of adopting an educational qualification for the suffrage need hesitate because of the threat that its representation would be diminished in proportion to the number that failed to pass the test, for that number would always be small. Nor will the wish for vengeance on the party in power prove a motive strong enough to bring the illiterate *en masse* before the registrars to secure, not their own enfranchisement, but the cutting down of their state's proportional influence — a result deprecated by all parties alike.

IV.

As the constitutionality of such qualifications is not likely to be invalidated, it is their justice and expediency which their opponents will question. Thus, in the Senate debate before mentioned, the senator from Illinois denounced "the whole principle upon which these requirements are made" as "a crime against humanity," and charged that the "miserable," the "fatal" example of Massachusetts was pleaded "by way of extenuation or excuse for that system by which a large proportion of the men of the South are excluded from the exercise of their rights." The issue between the advocate and the opponent of these educational qualifications is radical: it touches the very nature of the suffrage. Is it the natural right of all citizens, or is it the privilege, the *legal* right of certain classes? The list of man's natural rights is not written so long to-day as it was a century ago. Even the rights to life, liberty and the pursuit of happiness are seen to be closely limited by the demands of social well-being. If a man commits murder,

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society exacts his life as the penalty; if his crime is less heinous, he is deprived of his liberty and his pursuit of happiness is narrowly circumscribed. Man is a social, a political being: that he has rights affecting others than himself, not subject to limitation by, and for the good of, the community of which he is a member, is a thesis that few will care to defend. The "right to participate in his government" is thus not a natural, indefeasible right of man, but a right conferred by the state — a right that is the creature of law. In no state on the face of the earth is the suffrage right coextensive with citizenship: everywhere there are limitations — always of age, usually of sex, frequently of property — and these limitations vary widely.

In short, according to its stage of development and in the light of its own experience and that of others, each state determines for itself to what classes of its citizens the suffrage shall be given. A mistake may, indeed, be made in this quest for the classes possessed of selective judgment. It may be that the restrictions are too closely drawn, — that the community would be better governed if the age limit were lowered, if the sex limit were removed. From time to time "the political people" in each state face and decide such questions. The framers of our own constitution faced it in 1787; and the significant fact is that, after full discussion of a uniform voting system based upon suffrage regulations common to all the states, they decided to leave untouched *all* the existing diversities. In no two states were the qualifications of voters settled upon the same basis.[1] Different regulations prevailed as to residence, freeholding, payment of taxes. Not only were all these diversities recognized, but, subject only to the condition that in each state there should be guaranteed a republican form of government, no obstacle was placed in the way of further curtailment or widening of the suffrage. Upon this freedom of regulation the Fifteenth Amendment places limits: no voter may be debarred because of race, color, or previous condition of servitude. But the Fourteenth Amendment is less imperative. Under it a

[1] Story, Commentaries on the Constitution of the United States, II, 55–58.

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state, while retaining "a republican form of government," [1] may modify its suffrage qualifications as much as it pleases under penalty of having its influence diminished in national affairs—a penalty practically incapable of enforcement.

If, then, the question between the state and its citizen be debated simply from the standpoint of political expediency in the broad sense, on what basis do the educational qualifications stand? Against them it is urged that under them "law-abiding, orderly, industrious men are denied a right to participate in the government which they are compelled to support by the payment of taxes and by other means." Obviously the same plea that is here put forward for the illiterates might with equal force be advanced for the woman taxpayer and for the minor. A boy of eighteen may be drafted to defend his country at peril of his life; if he inherits property, the estate will not be exempt in the assessment of taxes; but he may not vote, for the simple reason that the "political people" in our American communities are as yet unconvinced that eighteen-year-old boys as a class have that degree of selective judgment to which affairs of state may be safely intrusted.

Again, it is urged that these restrictions are inexpedient, because they are directed at illiteracy, whereas the real evil

[1] It is interesting to note that in February, 1897, a negro ex-member of Congress from South Carolina, then a contestant for a seat, threatened to challenge the counting of South Carolina's electoral votes on the ground that that state was no longer under "a republican form of government," owing to the unfair application of the suffrage tests. He was dissuaded by party friends from making this demonstration. In a letter bearing date of December 1, 1897, he indulges in some sweeping statements: for example, "It is a notorious fact that not only every white man appearing before the board in person or by proxy was registered, but when failing to appear in either capacity, where their addresses could be secured their certificates of registration were sent them through the mails. . . . It is generally understood that the scheme was to register only one colored man in ten, and whosesoever lot it was to destroy that proportion was turned down, whether lawyer, doctor, school teacher, or college professor." In commenting upon these statements, a professor in a South Carolina university writes: "I only know there has been no very strenuous effort to disfranchise white men. . . . There is, I should say, absolutely no truth in the 'one in ten scheme,' nor in the statements in regard to registration certificates sent by mail. My experience is that voting is rather a difficult matter for white men. Numbers of the best white citizens of —— have been excluded from the polls on account of some trifling technicality."

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lies in defects of character, a man of criminal or anti-social instincts being all the more dangerous in proportion as he is educated. Those holding this view would, however, probably hesitate to advocate the closing of the schools as a means for raising the moral standard of the community. Training must be sadly one-sided when education is not proving itself to be one of the strongest safeguards of public morality. Further, it is to be noted that this argument against the educational qualifications fails to make its point, since our American states in somewhat varying terms already agree in excluding criminals from the suffrage. So soon as conviction of serious crime proves their criminal nature, they lose their votes; and in several states the tendency is to make the loss permanent with removal of doubt as to their anti-social nature. But we have to wait for such men to reveal themselves; for a test of criminal character cannot be applied, like one of illiteracy, at the instance of the state. If it were possible, what state would hesitate to apply the touchstone to its citizens?

But the expediency of an educational qualification for the suffrage rests not on negative reasoning alone. The state cannot afford to accept the absence of criminal instincts, or even positive goodness, as an adequate requirement from those citizens who are to determine its fate. Self-preservation demands more. "Participating in his government" is no child's play: it calls for a moderate degree of intelligence, with the power to learn at first hand. If matters of the gravest moment are to be left to the decision of the majority, it becomes of the utmost concern that the individuals who make up that majority shall at least have the possibility of learning for themselves in regard to the questions at issue; otherwise *vox populi* is as likely to be *vox diaboli* as *vox dei*.[1] Integrity, intelligence, independence of judgment, disinterestedness, a consciousness of the citizen's debt to the state — these are the qualities of a good citizen. It is with the prevalence of these that the future of democracy rests. They may all be present without the ability to read or

[1] MacCunn, "The Rule of the Majority in Politics," Ethics of Citizenship, ch. v. See also J. S. Mill, Representative Government, ch. viii.

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write or "cipher," yet in such communities as our own the lack of such ability in any man affords strong presumptive evidence that in him some, at least, of these qualities are wanting.

The educational qualification emphasizes the fact that the granting of the suffrage should be in recognition of the voter's having reached a certain plane of mental and moral development, rather than of his having merely filled out twenty-one years of existence. The man, be he native or foreign-born, who, amid the wealth of opportunities by which he is surrounded in America, is too inert to win for himself the slight intellectual attainments which this test requires, by that very fact proclaims his low and unpatriotic notion of citizenship not less clearly than does the coward who sneaks away to avoid the draft. To settle questions at issue peaceably, intelligently, justly, without recourse to arms save as a last resort, is the aim of the most advanced governments — an aim ever harder to realize in proportion as the suffrage is degraded. Not more than once in a generation is the American citizen summoned to defend the state at peril of his life; it is at the ballot box that the real battles of the new age are being fought out. It is there by quiet, undramatic, but none the less patriotic, service that the commonweal is defended from assault. The state does well to hold its suffrage a thing of worth, to make it a prize to be sought after — a privilege to which the incapable may not aspire.

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TWENTIETH CENTURY DEMOCRACY.

IN his history of the Commonwealth of England[1] Mr. Gardiner remarks that the proposals of its founders "were often such as to commend themselves to the men of the nineteenth, perhaps even to the men of the twentieth century, rather than to those of the seventeenth."

History, as it becomes scientific, becomes more and more prophetic. Science reveals law, and a knowledge of law confers the power to forecast the future. The one original source of history is the present experience of living men. So long as it is confessed that the present age cannot be understood, or its true history be written, till its actors are dead, it ought to be confessed that no age can be understood, that no true history can be written. A true history is not written by discreetly waiting till the actors are dead and the mouth of every troublesome witness is stopped, and then attempting to construct a living society out of the broken fragments that remain. This is the way to write fiction: it is a cheap and easy way to delude the unwary into the acceptance as true of that which is false. The measure of one's ability to construct a true history out of the broken fragments of the past is his ability correctly to apprehend present living forces.

The growth of democracy is the fact most often encountered in all attempts to understand our own age. We hear of the democratization of industries, of literature, of philosophy and even of the Catholic Church. It is a question of great importance whether this is a permanent tendency or whether it is a temporary incident due to exceptional causes. From the passage quoted above, it would seem that the historian of the seventeenth century in England expects the continued growth of democracy in the near future. Mr. Lecky, who has lived

[1] History of the Commonwealth and Protectorate. By Samuel Rawson Gardiner, M.A. London and New York, Longmans, Green & Co., 1897. — 2 vols., 515, 503 pp.

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much in the eighteenth century, while fearing many direful calamities on account of the coming in of democracy, seems to accept its advent as inevitable. Sir Henry Maine, equally impressed with the dangers of democracy, entertained a hope that there might be a return to what he deemed the safer principles of monarchy. The question is by no means an idle one. Its decision ought to affect a large part of ordinary conduct.

There is substantial agreement as to the fact of present democratic tendencies. For a study of the origin of these tendencies and for the observation of their working, no field of history is more fruitful than that chosen by Mr. Gardiner. The great struggle between the English monarchs and the House of Commons began in the reign of Elizabeth. It continued without interruption during the time of the first two Stuarts. Gardiner's special studies cover the greater part of this period. His last two volumes are devoted to the first five years of the Commonwealth. The great debate did not directly involve the question of democracy as against monarchy, but rather the relative importance of the various factors in Parliament. The king held that it was the duty of the two Houses to coöperate with the monarch in making laws and in strengthening the administration. He considered himself sovereign both in lawmaking and in administration. The House of Commons, on the other hand, maintained that in the making of laws and in the determination of policies the two Houses were supreme, that it was the duty of the king faithfully to execute the laws; that the king was subject to law. The emergencies of the debate led the Commons to appeal to the English nation, as above both king and Parliament. The House of Commons, as being more directly representative of the nation, was alleged to be above king and lords. It was this feature of the controversy that tended to suggest a democratic theory of government. In the stress of civil war such a theory was evolved.

At no time during the Civil War or the Commonwealth, however, did the believers in democracy represent any considerable portion of the people. Those were convinced democrats whose clamors led to the death of the king, but they received

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scant recognition in the conduct of the government. The apparent effect of the Puritan Revolution was to strengthen all prejudices against democracy. But the debate begun in the time of Elizabeth went on after the restoration of the Stuarts, until now, in the latter part of the Victorian age, there seems to be a very general conviction that the people of England may choose their rulers and govern themselves as they please. This conviction has been attained after one of the longest debates of a single question to be found in the annals of history. The participants have been statesmen and jurists inferior to none. Democracy has prevailed, however, not on account of arguments urged in its favor, but rather in spite of every possible argument urged against it. Every available device to avoid the trial of democracy appears to have been employed, and the acceptance of the experiment has been brought about rather by the logic of events than by the persuasiveness of advocates. This fact brings us again to the question: Are the forces making for democracy permanent or temporary?

One of the important factors in the English Revolution was the new generation of Bible-reading Puritans. To these Bible-readers Abraham was not called to found a great nation, but rather to be a minister of blessing to all the families of men. The founding of a great nation was a mere incident. Kings were not set up to make laws for the government of men: on the contrary, kings arose in Israel because of the sins of the people. The people were fairly warned that their kings would grow more and more tyrannical — that royal power would be more and more abused. If kings ruled at all, it was their duty to obey the law. If a king did not obey the law, it was the duty of the private citizen to denounce him to his face. To the righteous law of God ruler and subject owed equal obedience. Convictions such as these were the soul of the Puritan revolt.

There never was a time when Bible-readers were so numerous as they are to-day. A few years ago the Chicago dailies published the whole of the revised version of the New Testament as matter of news for their readers; and for days the streets of the great cities were thronged with persons peddling copies

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of the book. Many languages and dialects have been reduced to writing for the express purpose of placing the Scriptures in the hands of the people. More and more the Bible is going into the hands of the common people in all Christian lands; and it seems that the reading of the Bible still shows the same tendency, as in the seventeenth century, to weaken the hold of kings and of the ecclesiastical hierarchy upon the people.

The Puritans were called Old-Testament Christians. The direct words of command, which abound in the Old Testament, requiring the doing of definite things seemed peculiarly fitted to lead the common people to withstand tyrannical rulers. Bible-readers of to-day attach less weight to the commands of the Old Testament. The stress of attention is rather upon the more positive and aggressive principles of righteousness found in the Gospels. But surely the New Testament in the hands of the common people tends equally to weaken the hold of all who are disposed to exercise unjust lordship.

In the more advanced Christian nations there is not now that exclusive devotion to Bible-reading which existed in Puritan England. Much of the people's other reading, however, has an influence not less democratic. A large part of the literature which is distinctly anti-Christian in its spirit is democratic in its teaching, or it directly attacks monarchy and hierarchy. On the other hand, nearly all teaching which to-day gives positive support to undemocratic forms of government is opposed to toleration in religion and to freedom of thought and of teaching.

It is a matter of considerable interest in the study of modern tendencies that the doctrine of religious toleration and that of democratic government in church and state came prominently into notice at the same time and were advocated in many instances by the same persons. All democrats in the time of the Civil War and the Commonwealth were believers in toleration. The believers in toleration, however, were by no means all democrats. Cromwell had little sympathy with the political plans of the democrats; yet during all his public career he was consistently tolerant. The duty of toleration was one of the settled convictions to which he held amid all changes.

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From the Commonwealth to the present day there has been a continuous movement toward religious toleration. The advance has not been uninterrupted : there have been reactions, yet, on the whole, each century has shown marked progress. The growth of democratic sentiment has been even less uniform than that of toleration, yet there is enough correspondence to suggest a natural relation between the two movements. Catholic emancipation was forced upon an unwilling king only a few years before the Reform Act was forced through an unwilling House of Lords. Religious toleration is assumed in the most successful democracies. The essential principle of toleration is implied in every revolt of the individual against the evil practices of rulers. Every Hebrew prophet who withstood king or priest illustrated the principle. Throughout the entire history of the Christian Church there were martyrs to a demand for a higher standard of morality among rulers. The great Protestant Reformation was simply the most conspicuous of a number of similar movements. In the Christian Church there was always a practice of toleration. On a wide range of subjects there was freedom of discussion and of belief. Only those teachings were repressed which seemed to threaten the authority of the rulers. That which was really new in the toleration of the Puritan Revolution was the distinct enunciation of the policy that government ought not to exercise authority over the individual conscience. This policy had a democratic birth. It arose among those Christians who held that all authority in the Church rested with the whole body of believers in each separate local assembly. It had been practiced in Rhode Island for ten years before the organization of the New Model. Men from New England were leaders in the army. Cromwell, while not a democrat in his theory of state, was a democrat in church government. All these facts create a presumption that there is a close relation between religious toleration and democracy, and that the principle is not ephemeral, but is as old as the passion for righteousness in the human soul.

A vital relation everywhere obtains between the nature of the government and the education of the people. It was the

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duty of the Hebrew father to instruct his children in the promises delivered to his ancestors and in the mission of the Jewish race to the world. Because of this teaching we have to-day a disembodied Hebrew nation still holding itself in readiness to fulfill a contract made and sealed four thousand years ago. Before the Puritan Revolution, the Elizabethan age had illuminated England — Bacon and Shakespeare had lived and taught. Milton was a part of the Revolution, and an important part. The educational movement which prepared the way for this Revolution began, however, before the time of Elizabeth. From the days of Wycliffe there had been an undercurrent of Christian teaching, never wholly subject to governmental control, always distinctly hostile to tyrannical authority.

Since the Puritan age there have been changes in the methods and spirit of education so sweeping and so radical that we have great difficulty in understanding them or in comprehending their probable effects. The beginning of the new education may conveniently be dated about a hundred years ago, with the work of Pestalozzi and Froebel. Pestalozzi was overpowered with a sense of the injustice and brutality visited upon the poor of his countrymen by those in authority. In this respect, however, he did not differ from thousands of Hebrew prophets and Christians teachers who had preceded him. It was the same sentiment that led St. Francis to defy every earthly authority and make himself a companion of lepers. Pestalozzi began his work by an attempt to arouse the moral sense of the adults of his city. Here again he was in the old beaten track. Not until he found that the adults were already spoiled by a wrong education was he induced to turn to the child. More than two thousand years ago the Greeks taught that rational human government rested upon the education of children. The Greeks lived in perfect good conscience upon the labor of slaves and by acts of robbery committed against aliens; and it was in part, at least, the obtuseness of their moral sense that enabled them to do a bit of clear thinking that has been of immense importance to the world. The morality of the Greeks was a morality for masters; yet within

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a limited field they discerned fundamental principles that are true for all conditions. If Plato had organized a school among the children of outcast Greek slaves with the definite intention of rendering it impossible for any Greek to continue to be a master of slaves, he would have been doing a work quite like that of Pestalozzi and Froebel. These Christian teachers aimed not simply at new methods in education, but rather at a more just order in the state. They had the Greek idea of making pedagogy contribute to demagogy, or a more righteous political leadership. They made truth their sole authority. They were driven to the study of nature as the most available means of inculcating a love of truth. This line of teaching was in harmony with the contemporary effort for the advancement of science, and contributed much to its triumphs.

We are not always conscious of the fact that there is a close relation between cold-blooded material science and that enthusiasm for humanity which has characterized popular educational movements. Yet it is easy enough to see that there could not have been a scientific age, such as that in which we are living, had there not been a succession of prophets and teachers who were ready to brave constituted authority for the sake of more just relations among men. The prophets have always been lovers of truth and haters of lying; but in past ages the promoters of righteousness have been truth-loving and truth-telling chiefly in dealing with subjective experiences, and have failed to maintain this spirit in dealing with matters external. Bad men and good men alike have been victims of false beliefs in much that pertains to this external material world, and in nearly all that pertains to political and social relations. Only since the recent triumphs of science have there been large bodies of men who are practiced in seeing according to ability and believing according to evidence in a field of external observation. There had been ages of theoretic teaching of the abstract duty of keeping the mind open to the truth, but the practice of seeing and believing according to prejudice was practically universal. Modern science supplies to the preacher of righteousness that which he has long needed. It furnishes a fulcrum for the

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lover of truth and righteousness in a world where none existed before.

It should be observed, however, that the habit of seeing and believing with the whole mind has even now been attained only in a very limited field. The new law prevails in the chemical laboratory. In biology it prevails until the political and social relations of men are reached. Here the old law of seeing and believing according to prejudice still holds. Thus, we have recently had in the United States an election in which one question involved was whether the gold dollar had appreciated in value during the last twenty years. About six millions of mature citizens believed that it had appreciated, and about six millions more, with the same evidence accessible to them, held the opposite opinion. In politics men still believe, not according to evidence, but according to their interests or their prejudices.

We may reasonably expect that early in the twentieth century men will appear who will maintain a complete openness of mind to all political and social phenomena, who will keep all faculties at their best in order to know all that is true and who will conscientiously report without color that which is perceived. This expectation is based upon changes already wrought. The medical profession, for example, is being reconstructed in harmony with the new education. This profession, dealing, as it does, with physical science and also with matters social and political, is actually carrying the principles of science into politics. In the city politics of the day we see men devoted to almost every variety of injustice and crime, but we find no champions of diphtheria or typhoid. It is only in Gloucester, England, the home of Jenner, that the constituted authorities of our day insist upon the murder of innocents out of regard for an ancient prejudice.[1] If any one doubts that there has been a revolution in the medical profession in the last century, let him compare the introduction of anti-toxine with that of vaccination a hundred years ago. Vaccination met the strenuous opposition of a considerable body of influential people, who insisted upon believing, not according to evidence, but accord-

[1] Parliamentary Report on Smallpox Plague in Gloucester, 1896.

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ing to prejudice. And this organized unbelief has continued to the present day. The medicine man of the remote past was a dealer in occult forces in alliance with privilege and tyranny. In the future the medical profession is to be in alliance with those political and social forces which make for the perfection of the race. Its chief task will not be the curing of diseases or even the prevention of disease: it will be to give effect to positive agencies for improving the race.

A statistician has reported that a contemporary of Pestalozzi administered corporal punishment in school more than a million times. This is an exaggerated case of the old method of school government. Only in 1888 was the practice of caning abolished at Winchester College, England. It is the aim of the new education to govern young people as rational beings, and a resort to corporal punishment is now counted a mark of failure in school government. We now govern the insane by carefully noting the normal faculties that remain and giving them exercise. In the same way we control and cure criminals, by an appeal to the highest normal faculties discoverable. Successful democracy assumes that normal adults also may be kept to tolerable courses of conduct by appeals to reason and conscience. Government in a democracy must become more and more consciously a matter of education and training.

In the light of the more careful and scientific study of society it becomes evident that all government is in large part a matter of education and training. Wild beasts are controlled by taming them and by keeping them from getting frightened — that is, by educating them. The government of men has often been compared to the government of wild beasts, but there is an essential difference in the process. Men never have been and they never can be governed as brutes are governed. We govern an animal by taming him; we govern a slave by scaring him. One slave is selected and signally punished in order to strike terror into the minds of other slaves. Slaves, as a class, fear their masters; masters, as a class, fear their slaves. Only such slaves are selected for vicarious punishment as can be punished safely. The attempt to treat human beings as brutes

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results in treating them more brutally than animals can rationally be treated. Domestic animals are by nature saved from the worst indignities heaped upon slaves. Animals in their relations to men are treated as individuals. One animal cannot be taught to teach another; nor by punishing one animal can we mend the manners of another. But even in the lowest estate men are governed socially.

It is said that the founder of the late dynasty in the Hawaiian Islands wielded a spear longer by six feet than that of any other warrior. With his band of followers he went from island to island till all were conquered. He then placed his seat of judgment at the top of a lofty cliff, whence, having with his own hands dispatched delinquents, he would hurl their bodies down the steep. This surely has the appearance of government by force. The destruction of competitors for kingship may have been a matter of mere physical force; but terror is rather a spiritual than a physical force. Force is applied to one subject for the purpose of inducing an obedient spirit in other subjects. Force is, in such a case, a means of education. But a ruler needs support from motives other than fear. The attempt to rule by fear alone results in making both rulers and subjects the slaves of fear. In an atmosphere of fear, which is created by an attempt to govern by force, the minds of men become prey to all manner of superstitions. Rulers surround themselves with the air of mystery. They are supported by conjurers and wonder-workers. The people are induced to believe that rulers are of a different clay from themselves — that they have an origin wholly distinct from the common herd. Monarchy has always been surrounded and supported by false teachings and erroneous beliefs. Machiavelli was scientifically correct in his contention that the attempt to govern by force led necessarily to a government by lying. Force is a fact so striking and so obvious that in the crude attempts to portray history it has been vastly overestimated. In all governments, besides fear and superstition and deception and lying, there have been also love and friendly coöperation. In the democratic reading of history all influences will receive

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due attention; force will be looked upon as a reminder of brutish origins — as a means of education and training to be employed with fitting shame and humility.

There are, then, two clearly distinguishable methods in education, corresponding to two distinct methods in government. In the one case, the appeal is chiefly to those faculties which man has in common with brutes. In the other, the appeal is chiefly to those higher faculties which distinguish men from brutes. It may seem like begging the question to maintain that democracy is necessarily the form which government must assume, as reason and conscience triumph over brute force; but it is to be remembered that the possible forms of government, as thus far defined, are not numerous, and that all forms save democracy suffer greatly from association with conduct and beliefs condemned by modern education. For practical purposes all that is necessary is the affirmation that the forces which make for democracy are so rooted and grounded in history as to make a thorough trial of democracy morally certain.

The real conflict of the ages is this same conflict between two methods in education corresponding to two methods in guiding the conduct of men. Science has appeared to be in conflict with theology; but this appearance of antagonism arose from the fact that a particular sort of theology was in alliance with a system of teaching by authority which rested upon brute force. The real conflict is between those in positions of power who have insisted upon treating the masses of men as dangerous wild animals and those who have contended for higher standards of justice. The one class have been driven to rely upon the authoritative teaching of error supported by the sword. The other class have been driven more and more to appeal to a common sense of justice, a common love of truth and a common opinion in favor of the higher capabilities of men.

The older method of teaching and governing is in harmony with a theory of the origin of the universe which is now generally thought to be erroneous — the theory that the world has been gotten into shape by a series of catastrophes and specific external interferences. The new method of teaching and

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governing is in harmony with the doctrine of evolution. This is no captious or accidental correspondence: it is fundamental and essential. He who believes himself to be a part of a rebellious universe, which has had imposed upon it a tolerable degree of order, naturally allies himself with those who would impose order upon men; while he who sees in nature the order-working principle naturally seeks to discover in man the tendencies to a better order and to ally himself with those who would give these tendencies untrammeled development.

These contradictory theories of government have also natural affiliations with two diverse theories of law. The common law of England was worked out by observing the rules of conduct of the orderly moral members of the community and setting these rules forth as guides for the behavior of the less orderly. The law was not originally imposed: it was simply discovered among the people and reduced to practice. In like manner the Law of the Twelve Tables was a collection of just rules of conduct discovered in the community, and these rules were published in order that the people might be protected from the imposition of unjust rules by their magistrates. During the thousand years following the publication of the Twelve Tables, Roman law was amplified in the main by the work of wise men who continued to observe the conduct of moral communities and to enlarge the application of the rules of justice. The other theory of law assumes a monarch or a specific limited body of persons that, out of hand, lays down the law for all other persons to obey. According to the former theory, law is something to be progressively discovered by noting the conduct of moral citizens. This view is quite in harmony with modern education and modern democratic tendencies. Here again modern education is in harmony with the teaching of the ancient Greeks. To the Greek mind justice was not a thing to be imposed by some accidental lawgiver: it was rather the aspiration of the living state. It was to be looked for as the consummation of the perfect man in a perfected state.

It is the failure to distinguish between these two theories of law and government which leads to that negation of the func-

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tion of thinking expressed in the modern phrase: "Conflict between the individual and the state." If the state is assumed to be a person, or a limited body of persons, seeking to govern all other individuals after the analogy of brutes, then indeed there is a clear case of conflict between the individual and the state. If, however, the state is a body politic seeking exact justice for all its members, the words are wholly without meaning. An individual apart from political and social relations is an unthinkable monstrosity. Such a creature has no existence, either in fact or in imagination. We know individuals through political and social relations. The more perfect these relations, the more complete is the individual. The Greeks looked upon the state as the chief agency for perfecting the man. Rightly understood, there is no more antithesis between the state and the individual than there is between a healthy living man and the cells that constitute his tissues. There is, however, a lasting antithesis between an unjust government and the victims of injustice.

Democracy is thus seen to be in harmony with many fundamental beliefs and principles, which have their roots deep in the past, that are gaining control of the minds of men. Its advent involves a reconstruction of history that is already well under way. So long as the movements of the nations were assumed to consist of a few spectacular events and to be determined by a few great men, history dealt with the unusual and the exceptional. But with the advent of science the belief prevails that from the beginning the really important factors in the evolution of history are found in the ordinary life of ordinary people. To the new readers of history former histories are of little use: they are as much out of place as ancient books on science. It is necessary to construct a history out of such sources as past ages have left. This is called, in the phrase of the day, "writing history from original sources." It is, indeed, an attempt to construct a useful history out of all possible sources. Gardiner's volumes on the Commonwealth from 1649 to 1654 will probably be accepted as among the best illustrations of the new methods. The

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materials are comparatively abundant, and there are many co-laborers in the field. Masson's life of Milton involved the use of much of the same material. Gardiner ought to be read with Carlyle's Cromwell constantly in mind. Carlyle never came so near to writing history in the modern sense as when he determined to "let Oliver speak for himself." Carlyle, however, never really allowed anybody to speak for himself. Yet from the number of references to his collection of materials his contribution must be deemed important in the new history.

For the reader, however, the chief use of Carlyle is in the contrast he affords between the old reading of history and the new. Carlyle makes history consist of the doings of a few great men. Only get a man born once or twice in a century, and all is well; attention to ordinary mortals is a waste of time. Nearly all that Gardiner has written belongs to that class of literature which Carlyle designates by the expressive word "dryasdust." With infinite detail Gardiner works out the actual homely experiences of the very real men into whose hands the care of an empire came. There is no attempt to enliven the narrative or to make it interesting. To the reader of such a history the interest must lie wholly in a desire to know how forces then appeared which are now seen to be working in the history of the nation. To such a reader the narrative is eminently satisfactory. There is the comfortable impression of trustworthiness and fair dealing. There are no tricks of style, no treacherous antitheses.

Carlyle characterizes Cromwell as "the soul of the Puritan Revolt, without whom it had never been a revolt transcendently memorable and an Epoch in the World's History." Gardiner also makes Cromwell the hero of the Revolution, but we are made to see how it came about. Apart from his superior military genius, Cromwell was great chiefly because of his readiness to adapt his conduct to the demands of the dominant opinions about him. At one time or another he entered into alliance with nearly every religious sect in the country. When the democrats in the army determined to compass the death of the king, Cromwell sought to save the king's life. His partiality

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for the king became so marked that his position in the army was seriously threatened. When resistance became hopeless, he yielded, and the king was beheaded. Later, when the Fifth Monarchy faction determined to expel the Long Parliament, Cromwell said that the very thought of the thing made his hair stand on end. He resisted the measure almost to the last moment and then gave way. Though he once yielded in Ireland to the demand for vengeance, the chief characteristic of his Irish policy was in harmony with a more just and humane treatment of the Catholic Irish. At one time he undoubtedly contemplated the possibility of making himself king, but afterwards he strenuously resisted all such proposals. Gardiner's closing passage in his second volume reads:

> If the Restoration is to be regarded, not as a mere change of the forms of government, but as a return to a mode of thought anterior to Puritanism, it may fairly be said that the spirit of the Restoration had at last effected a lodgment within the bosom of Oliver himself.

This is said with reference to a policy adopted late in 1654 for extending commerce in the West Indies.

In the new reading of history the great man is he who best represents the ideas which his age is trying to express. Cromwell did represent the idea of religious toleration. He said he would permit Mohammedanism rather than have one tender conscience coerced. Again, Cromwell represented the spirit of law and order which is among the deep sentiments of the English. With these guiding principles he was ready to adapt himself to the changing emergencies of the time.

As already intimated, the success of democracy is dependent upon the possibility of obtaining from men tolerable courses of conduct by education and training, by appeals to reason and conscience rather than to force. The military equipments of Christendom, however, do not now indicate any immediate diminution of force in government. This is a fact which is unfavorable to the immediate triumph of democracy. If the army of a nation is used chiefly against the citizens of that nation, there can be no real democracy. The case is different

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where armies are kept together for causes external. Yet the general triumph of democracy must involve the introduction of reason and conscience in the settlement of international as well as of domestic relations.

The experience of the Commonwealth is fitted to throw a good deal of light on the relation of an army to free government.

> It is never possible [says Gardiner] for men of the sword to rear the temple of recovered freedom. . . . No government they could set up would be strong enough to remain unless the army were kept on foot, and if the army were kept on foot popular support would be alienated by its interference in political affairs.

Throughout the eleven years there was a constant effort to avoid the "vicious circle," and all the time there was a working forward to the inevitable conclusion—a restored monarchy. At Worcester the army determined that a king could not be forced upon the nation; but the army was powerless to determine how the nation should be permanently governed. Government by the sword and democratic government are contradictory terms.

So long as the Commonwealth was threatened with immediate destruction from outside pressure, it had strong support in the nation. The five years presented in Gardiner's two volumes were entirely occupied with the wars in Ireland, in Scotland, with the Dutch, with Spain and with France. And these wars were all turned to the advantage of England. It was that sentiment in the nation which was most in harmony with the spirit of democracy that gave to the New Model its invincible character. That army was resistless in its mission of destruction to venerable institutions of tyranny. It could vindicate the honor of England against foreign foes, but it could not rule the United Kingdom as a democracy. It could not do this, because there was no educated and trained self-conscious body politic which was in a position to give commands to the army itself and to make it a subordinate agent of the nation.

Gardiner's words are fitted to give the impression that the vicious circle is peculiar to a commonwealth; but the same or a similar vicious circle inheres in every attempt to govern by

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force. The ruler must become more and more exacting. This causes increased opposition. The conclusion is revolution or national decay. The vicious circle continued after the Restoration until, in the Victorian age, there has appeared a trained constituency to whom all officers look for guidance and direction. The circle ceases to be vicious only when the appeal to public opinion is believed to make for justice and all classes are disposed to order their conduct accordingly.

The new education and modern science are rapidly undermining the feelings and beliefs upon which monarchy and aristocracy have rested. There remain only military despotism and plutocracy. Just now the most formidable rival to democracy is plutocracy supported by military despotism. In the past such a government has received less moral sanction than almost any other. The question of chief concern in the immediate future is whether science shall become prevailingly allied to plutocracy and privilege or whether it shall remain true to the spirit which gave it birth, seek to expose to the light of day every species of industrial, social and political injustice, and endeavor to point out the way for amelioration. That its influence will be thrown upon the side of truth and righteousness may well be inferred from the spirit which its devotees have heretofore displayed. The triumph of modern science has been distinctly a triumph of faith and of the preaching of righteousness. A considerable body of men have recognized and assumed a high moral obligation to learn what is true about the material universe. Of the universe one man in a lifetime can see only an infinitesimal part. If knowledge is to be rapidly advanced, men must learn to accept as true the reports of co-laborers. Coöperation is absolutely necessary. The promoters of science feel themselves helpless, unless men may be trusted to see all that is visible and to make full and accurate report of all that is seen. This involves the exercise of faith — faith in the trustworthiness of the powers of observation and, above all, in the truthfulness of co-laborers. Without knowing it, the promoters of science have become most aggressive preachers of a very old-fashioned orthodox dictum of righteousness. They have

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made a terrific attack upon the sin of unbelief. Given a trustworthy observer and a truthful reporter, there ensues the high moral obligation to believe the report and to seek to give full effect to all rational conclusions. Believing a lie in the face of adequate evidence to the contrary is sin. Under given conditions, believing a lie may indicate a lower condition of moral degradation than telling a lie. Under this new exercise of faith and effective preaching there has grown up a mystical scientific world whose members are distributed throughout the leading nations. In this world there are no liars. In but few instances have men been accused of lying in respect to the subject-matter of physical science. In this world men are free from prejudice; they believe according to evidence; they count it a high moral duty to keep the mind open to all truth which relates to the world of phenomena; they exercise a generous coöperative spirit in all that pertains to the advancement of science. Yet a man may fulfill all these conditions and be a veritable knave in ordinary political and social relations.

It would seem that, if men are to be permitted to lie anywhere, it ought to be in the chemical laboratory, where detection is easy and where the phenomena are not changed by false beliefs. The material universe holds right on faithful and true, no matter what men believe about it. Not so in politics: political and social institutions are affected by what men believe. Venerable institutions and customs hold on for ages, crushing the life out of the people, because of false teaching and erroneous beliefs. The men of science cannot be true to their calling, if they do not seek to carry the scientific spirit and the scientific methods into all the hard places of human experience. It is difficult to imagine a meaner man than he who has found the one easy place in the universe for being truth-loving and truth-telling — a place where the motive for lying is almost *nil*, a place that has been made entirely safe by the sacrifices of saints and martyrs — and from this secure place reviles other men who are trying to carry truth into politics, because, forsooth, they seem to him to lack somewhat of the scientific spirit. Science can be true to its origin and

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true to itself only as it seeks to realize the scientific spirit in every field of experience. The scientific spirit can come into industry and politics only by an aggressive spirit of righteousness — a passion for justice. Being a knave does not prevent one from keeping the mind open to all phenomena in the physical laboratory. But being a knave does prevent one from keeping the mind open to social and political phenomena. The secrets of justice can be revealed only to him who is prepared, at whatever cost, to render justice. The doing of social wrong renders difficult or impossible the seeing of social truth.

There have been prophets who have given correct forecasts as to events, but have been wofully awry as to dates. Thus, Admiral Blake asserted, after a few years' trial of the Commonwealth, that monarchy was at an end; that it had vanished from England forever; that it was just passing from France; and that within ten years Spain would be a republic. Now, after two hundred and fifty years, it seems not unreasonable to allow yet a term for monarchy in Spain to close its accounts with the people. If a military plutocracy should rule the twentieth century, our author's prophecy might still be good for some other century.

Just what was the nature of those proposals which were "such as to commend themselves to the men of the twentieth century rather than to those of the seventeenth"? I have already discussed religious toleration and freedom of teaching. These were proposals negative in their character. Then there was the positive proposal to establish a permanent republic. But the Puritan proposals cannot be understood by reference to any one detail or to any collection of details. The Puritans sought to embody in their Commonwealth a principle which is as old as history. They felt the need of a more righteous order; they believed in the possibility of its attainment; and with a high sense of obligation they proceeded to reduce their beliefs to practice. The Puritans were met by men equally conscientious who were devoted to the established order. The Cavaliers, who returned to power with the restored Stuart monarch, were horrified at the confusion which had arisen

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between the "Commons of England" and the "common people of England." In their view it was the duty of the Commons to keep their heels firmly planted upon the necks of the common people and to govern them with a stern hand. Their answer to the plea of the Fifth Monarchy men, that it is the duty of the righteous to govern the world, was: "We are the righteous, and we are providentially placed in the position of rulers." So long as the issue is between two factions, each of which asserts dogmatically that it has the right to rule and backs the assertion by an appeal to the sword, the few will ever prevail over the many. If history teaches anything, it teaches that, if the masses are to be ruled by the sword, the tendency will always be for power to pass into fewer hands. But if governments are to be carried on by persuasion and by appeals to the higher moral sense, the tendency will be to widen the constituency.

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REVIEWS.

The First Republic in America. By ALEXANDER BROWN. Boston and New York, Houghton, Mifflin & Co., 1898.—688 pp.

The History of South Carolina under the Proprietary Government, 1670–1719. By EDWARD MCCRADY. New York, The Macmillan Co., 1897.—762 pp.

Mr. Brown has produced in *The First Republic in America* a companion volume to his *Genesis of the United States*. The two works, when taken together, contain, partly in reprint and partly in *résumé*, the fullest collection extant of materials bearing on the history of Virginia under the London Company. The period is the same as that covered by Neill in his *History of the Virginia Company*, but Mr. Brown has done his work much more thoroughly and on a larger scale than his predecessor. His industry, accuracy and breadth of view are most commendable. The documents contained in the *Genesis*, the comment on them in the present volume, and the additional material bearing on the administration of Sandys and Southampton which is now brought together, illustrate every phase of the first two decades of Virginia history. Every individual who bore an important part in the enterprise, whether in England or in America, appears in his proper place, and due credit is given to his effort. Sandys is not unduly exalted at the expense of Sir Thomas Smith. The king receives just treatment. It is even suggested that, in view of the fact that much of the evidence against Captain Argoll comes from prejudiced sources, judgment concerning him should be suspended. Capt. John Smith sinks into his proper place among the multitude who were laboring and sacrificing for the common end. Incidentally, also, by means of the exhaustiveness of his investigation, Mr. Brown shows how inadequate and slipshod, even as a compilation, is that part of Smith's *Generale Historie* which treats of Virginia subsequent to his departure from that colony. That the work was written with a view to the glorification of Smith is sufficiently indicated by the fact that the events which followed 1609, with which we must suppose that the compiler was acquainted, are so slurred over. When persons and events shall be presented in their true relations it will appear that Sir Edwin Sandys was in a

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truer sense the "founder of Virginia" than was Capt. John Smith. This is the conclusion to which the evidence that Mr. Brown has marshaled inevitably leads, and it is apparently the lesson which he intends that it shall convey.

But in order to make this fact appear in its proper relations and with the force which really belongs to it, the author, it is believed, should have treated Virginia, so long as it was under the control of the Company, as a proprietary province. The title of this book is, in fact, a misnomer. Virginia in the period of which Mr. Brown was writing was not a "republic": it was not in form even a self-governing commonwealth, as was Massachusetts. Had it been so, its inhabitants would have elected their governor and council, and, indirectly at least, their other leading administrative officials. The legislature would have been purely a representative body, its activity uncontrolled by an effective veto; while the executive would not have been subject to guidance by instructions. But Virginia prior to 1624 fulfilled none of these conditions. Her governor, councillors and other leading officials were appointed by the Company. They were instructed by that body. The legislature, when established, was not a purely representative body, and its acts were subject to review by the Company. The trade and the land system of the colony were equally under the Company's control. The Company, then, was as truly the proprietor of Virginia as was Lord Baltimore the proprietor of Maryland.

The author's failure to recognize the essentially provincial character of the Virginia system has, I think, led him also to exaggerate the importance of the changes introduced by the charter of 1609 and by the establishment of the legislature in the colony in 1619. That those were events of considerable ultimate significance no one can deny. But it should be remembered that the transfer of governmental control over the colony from the king to a corporation did not necessarily result in an increase of the political privileges of the colonists. That it did so in the case of Virginia was due to the fact that the management of the corporation fell into the hands of the leaders of the country party. The legislature of 1619 — if we dignify it by such a name — was imperfect and rudimentary in form, while the business which it did was insignificant both in character and amount. It will not do to let the imagination soar to great heights when contemplating a body whose work was confined largely to petitioning the Company and to enacting in the form of by-laws certain instructions which the Company had sent over.

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The form in which Mr. Brown has presented his materials is open to serious objections. He has arranged them strictly in the form of annals. Events of the greatest and those of the least importance, which were unconnected save in point of time, often stand side by side in the same paragraph. The book consists mainly of extracts from and outlines of documents, but the reader is rarely, if ever, told where he can find a document in full. To be sure, nearly all that are referred to in the period before 1616 are given or cited in the *Genesis;* but for the years which follow that date, the reader is left to his own knowledge and resources. The author has not produced a history of the period upon which he has expended so much labor; he has not relieved the future historian from the necessity of going to the sources for his materials; and he has not in all cases furnished that historian with a sure guide to those sources. We must, then, conclude that much misdirected, though conscientious, effort has been expended on this volume.

A book of a different order, though upon a kindred subject, is McCrady's *History of South Carolina under the Proprietary Government.* It supplies a long-felt need; and when the work which the author has planned shall have been carried through to the Revolution, we are confident that a strong light will be cast upon what has hitherto been an obscure period in early American history. The volume before us is the result of a thorough study of all accessible sources. The influence of the earlier work of Rivers is evident and is frequently acknowledged by the author; but throughout the volume there are abundant proofs of original thought and research. The documents contained in the *Colonial Records* of North Carolina have been utilized, so far as they throw light on the southern province. Monographs and pamphlets have not been overlooked. Though social causes and conditions have not been neglected, the book is mainly political and legal in character. The author's professional training enables him to discuss legal questions in a convincing manner and to give them considerable prominence. Like other good Carolinians, he is not lacking in state pride, but that is restrained within reasonable bounds. The organization and policy of the board of proprietors are discussed thoroughly and with fairness. The conflicts with the Indians, with pirates, and with the Spanish, the peculiar difficulties to which South Carolina was exposed as a border province, receive their due share of attention. Reference is made to European relations, so far as they had a bearing

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on the history of the province. The book is unusually free from errors; and in accuracy, thoroughness and fairness of spirit it approximates closely to what a state history should be.

The chief faults of the book, as it seems to the reviewer, arise from a too rigid adherence to the chronological order of treatment, and from the failure of the author to have made a comparative study of proprietary government as it appears in the history of the English-American colonies. Political life in South Carolina in the proprietary period was vigorous and active. The rapid succession of governorships, the violent contentions over a variety of subjects, the numerous political changes give evidence of this. We should be glad to know the details of these events as fully as we do, for example, the early history of Massachusetts. But the records are fragmentary and oftentimes afford only glimpses of what was going on. The attempt to record these events in strictly chronological order results in such frequent change from one subject, or phase of a subject, to another as to break the continuity of the narrative and burden the attention of the reader with what seems to be a monotonous series of details. It is believed that a judicious combination of the chronological with the topical method of treatment would to some extent remove this difficulty, and add greatly to the meaning and interest of the narrative.

That Mr. McCrady clearly understands the nature of the proprietary system of government in South Carolina is shown by his treatment of the subject as a whole, and especially by passages, like that on page 364, where he generalizes or sums up the tendencies and results of development. But had he given as careful attention to the growth of the system in Maryland and elsewhere as he has to its history in his own state, it might not have seemed so strange to him that the proprietors should labor as they did for the establishment of the system of the Fundamental Constitutions. In the first place, it was never contemplated that the legislature in any province should be independent of the proprietor or exclusive in its jurisdiction. Government through instructions — the serious modification of legislation by them, and that to an extent never clearly defined — was a part of the proprietary system. By means of them the executive was created and the form of the legislature determined in all the provinces whose development was normal. The steps taken by the Carolina proprietors when they issued the Fundamental Constitutions as instructions were exceptional in these respects: that they sought by means of them to create a nobility, and that by their issue they

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superseded a freer system which they had already granted to the province. Really, it was by the creation of a nobility that they sought to transform both the executive and the legislature. That legally they had the right to do this, and to seek its enforcement by instructions to their governors, one can scarcely doubt. Its wisdom or practicability is another question.

H. L. OSGOOD.

A Short History of British Colonial Policy. By HUGH EDWARD EGERTON, M.A. London, Methuen & Co., 1897. — xii, 503 pp.

One is naturally prepossessed in favor of a work introduced by so modest a preface as that of Mr. Egerton. Nor is this favorable impression lessened by a careful reading of the book, whose unpretentious and truly scientific spirit will commend it to all students of the subject. Mr. Egerton has a calm, judicious mind; he has searched for the truth with no ulterior object in view; and he has based his work on an extensive study of original sources, of which some have never before been used. His work is, however, in no sense of the word a final history of the subject; for he has by no means digested all the facts he has gleaned from the records, nor has he studied exhaustively the large mass of available original material. Besides, some important publications of recent years have escaped his attention. But when we remember that we have no other work covering the ground, we should be grateful for what Mr. Egerton has given us.

As the author points out, it may be objected at the outset that the work is an absurdity, because England has never had any definite consecutive colonial policy: "there has been no premeditated advance to a definite goal." But this is by no means the exception in historical development: in fact, it is the general rule. If we look at the general ideas back of any process of social evolution, we shall find that they group themselves into a consistent whole, with the line of development as clear as the evolution itself. In this case, the author has certainly made good the title of his work.

Mr. Egerton has divided his subject into five natural periods: the beginnings, 1497–1650; trade ascendency, 1651–1830; systematic colonization and the granting of responsible government, 1831–60; the zenith and decline of *laissez-aller* principles, 1861–85; Greater Britain, 1886 onwards. The second period, containing about two-fifths of the pages of the book, deals in the main with our colonial

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history. It contains some new facts, but does not add in any marked degree to our knowledge. We think also that these two centuries should have been divided into characteristic periods, for there were more changes in British colonial policy during these years than during the last sixty years, which are divided into three periods.

The value of Mr. Egerton's work consists principally in his treatment of this century. It is the only work we have of value on the subject. Incidentally, it shows how untenable is the claim so often made by responsible publicists, that the immediate effect of the American Revolution was a fundamental change in England's colonial policy, resulting in greater freedom to the colonies. From Mr. Egerton's pages we can see that, if there was any change, it was towards reaction, and that England's present most liberal policy is only of very recent date. Prof. G. B. Adams has shown this already in a general way, but to Mr. Egerton belongs the credit of giving the first clear account of England's colonial policy during this century.

In the beginning of his work Mr. Egerton carefully defines a colony as "a community politically dependent in some shape or form, the majority or the dominant portion of whose members belong by birth or origin to the mother country, such persons having no intention to return to the mother country." This definition excludes India (and naturally also the purely military settlements), because Englishmen rarely make their permanent home in India. Consequently, Indian affairs are not treated at all in this work. The definition has scientific value, distinguishing, as it does, between colonies and dependencies; but an arbitrary definition is no adequate reason for omitting all treatment of India from a history of English colonial policy.

Especially noteworthy is Mr. Egerton's attitude toward the American Revolution. He has departed from the traditional Whig and American standpoint, and looks at the matter from the scientific point of view only very recently adopted by our historians. Speaking of the policy of England after the Peace of Paris, he says:

> It is a strange irony which has fastened the epithet tyrannical on the conduct of England towards her colonies. Incapable, weak, causing the maximum of friction with the minimum of result, colonial policy may have been; but to call it tyrannical is to travesty either language or facts.

Attention should be called to occasional inaccuracies and to the failure of the author to appreciate the connection between home and colonial policy. For instance, Mr. Egerton's account of the Naviga-

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tion Law of 1651 is absolutely wrong, probably because he never saw the full text in Scobell. Then, when speaking of the policy of "enumeration," Mr. Egerton mentions, as if in palliation of it, that grain was not included among the articles that had to be shipped to England. He seemingly fails to understand that, above all, England wanted to keep out colonial agricultural products which competed with her own industries. It was no benefit to the colonists to be able to export their surplus products of the soil to foreign countries, since legally no manufactures could be taken back on the home voyage. In fact, it would have been of great benefit to the colonies if wheat had been enumerated. Ultimately England, and civilization in general also, might in that case have been benefited, for then the American Revolution might have been averted.

COLUMBIA UNIVERSITY. GEORGE LOUIS BEER.

L'Évolution du commerce dans les diverses races humaines. Par CH. LETOURNEAU. Paris, Vigot Frères, 1897. — xxiii, 581 pp.

Professor Letourneau's present work on the evolution of commerce is in continuation and further elaboration of his former books on the origin and development of property and on the evolution of slavery. The range of this volume is perhaps even broader than that of the works the author has already published on the evolution of various social institutions, and there appears to be no race of men whose trade and commerce are not in some way described.

Professor Letourneau does not find Adam Smith's "propensity in human nature to truck, barter and exchange" existent among the lower races of man. So long as men lived in "anarchic hordes" and "communal clans," there was no incentive to exchange, as the only private property consisted in weapons and utensils which were invariably burned or buried with their owner upon his death. Survivals of this "pre-commercial age" — which, according to the author, lasted many generations — are to be found among the primitive Fuegians, Hottentots and some of the lower American Indians.

Professor Letourneau agrees with Herbert Spencer in thinking that commerce originated in the exchange of presents between savages. Out of this custom grew the widespread practice of trading through "depots," where one tribe set out what it had to exchange, and then withdrew until another tribe appeared and placed what it regarded as equivalent alongside. If the former tribe was satisfied, an exchange was effected — without the party of the first part having

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any view of or conversation with the party of the second part. From this system developed the primitive market, held between armed groups, where the exchanges were effected by specially appointed agents, enjoying certain immunities for the time.

But little advance was made, however, until the trading tribes acquired some form of capital in the way of slaves, cattle or agricultural produce. Industry and specialization followed; and, once implanted, the "propensity to truck and barter" seems to have grown very rapidly among all higher savages. More advanced tribes then encouraged the lower to give them slaves in exchange for articles of adornment, and the market became a feature of inter-tribal relations. The necessity of some recognized standard of value was everywhere felt, and some common articles of trade — ornaments, stuffs, slaves, cattle, salt or the like — were eventually chosen to serve this end. Commerce was thereby immensely facilitated, but this transition from what Aristotle called the "natural" to the "unnatural economy" produced, according to our author, an evil effect upon the morality of the race. The primitive clan was thereby dismembered, and the ancient feeling of solidarity gave way to the unrestrained egoism of the individual. Thus the germs of modern commercialism are to be found among primitive savages, and the subsequent development of the mercantile instinct among barbarians and civilized peoples has tended only to accentuate the evil effects upon morality thus originally produced.

Regarding the development from the standpoint of social ethics, Professor Letourneau arraigns the nations of history before the bar of morality, and finds them all guilty of rapine and exploitation. With the development of capital and the introduction of coined money, inequality increased, the evil effects of usury were accentuated, the masses were exploited by the few and weaker races fell before the strong. Yet civilization has sanctioned it all and idealized the commercial instinct. Nor does the author believe the conditions have been much improved by the modern development of commercialism. Facts, he says, have disproved Mill's optimistic belief that commerce makes for peace; and, though he does not take up the gauntlet directly, apparently his arguments would likewise hold against the theories of Comte and Spencer in favor of modern industrialism as an educational force. In short, Professor Letourneau stands fairly upon the Aristotelian ground, that commerce is rightly a means to a moral end and not an end in itself. The human race has erred thus far in making wealth the aim in life; but the author

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— an optimist himself — sees at work forces which are making for virtue; and in the "confederation of republican cities," which are eventually to take the place of our present over-large "centralized states," the commercial instinct is to be disciplined and made to play its proper part.

But, though the evolution of commerce has brought with it this train of evils, commerce itself is by no means to be decried. As the author puts it, "*Le commerce! Qui le pourrait assez louer ou stigmatiser? C'est un malfaiteur plein de vertu.*" Does not the difficulty, then, lie in attempting to judge from two points of view at once? From the standpoint of production commerce has certainly made material civilization possible, but from the point of view of distribution it has undoubtedly accentuated the inequality of wealth. In looking primarily to the evil effects, Professor Letourneau fails to take due regard of the good; and his judgment in favor of the natural economy of the doubtful past and the distant future is, accordingly, as one-sided as those of Aristotle and Rousseau, who regarded the matter with much the same bias.

With the ethical thread which runs through the centre of the present work there are interwoven many interesting and instructive lines of economic investigation, particularly in regard to the commercial relations of various savage races. The whole material is admirably arranged for ready reference, and is accompanied by a careful summary at the head of each chapter and a complete index. The volume is a solid addition to the author's previous works on social evolution, and is in perfect keeping with his general theory of sociology.

LINDLEY M. KEASBEY.

BRYN MAWR COLLEGE.

Recht und Sitte auf den verschiedenen wirtschaftlichen Kulturstufen. Von DR. RICHARD HILDEBRAND. Erster Teil. Jena, Gustav Fischer, 1896. — 191 pp.

Whether it was a conscious impulse of filial piety which prompted the choice of Professor Hildebrand's subject, we are not told. But it is certainly appropriate that the son of that Bruno Hildebrand who, fifty years ago, pointed to "the movement of historical evolution" as the object of the economist's inquiry, should now make an attempt, with the aid of all that anthropology and comparative jurisprudence have given us in the interval, actually to sketch the outlines of that evolution, and to show its dependence upon funda-

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mental economic conditions. It is an attempt which, from the novelty of its method and the distinctness of its challenge, is sure to attract wide attention.

A good deal is being said nowadays about "the materialistic conception of history." Many worthy persons are rejoicing or lamenting, as the case may be, over the disappearance of idealism. The emotion is, however, premature. Before we trouble to ask whether an economic explanation of certain events is adequate, it is commonly worth while to inquire whether the alleged economic phenomena themselves really existed as described. We may thus in most cases relieve ourselves from attacking the larger question; for it may be doubted whether any "materialistic conception" of history has ever condescended to particulars without exciting the derision of the specialist.

We are, therefore, somewhat taken aback at first by the boldness and sweeping character of Professor Hildebrand's program:

> At the bottom of the following investigations lies the problem of a history of the general evolution of law and custom. This problem can only be solved when we cease to be content with merely comparing the separate phenomena of different peoples and periods, and try to arrange or group the materials according to the economic stages to which they belong. For to determine the connection and genetic sequence of the several facts, and to be able to say that this law or custom is older or more primitive than that — for this we clearly need a criterion which shall rise above and be independent of chronology. Such a criterion is alone furnished by the stage of economic culture; for this alone shows us a movement of evolution everywhere in its main features alike, or ever moving in the same direction. The reason is that population is always more or less increasing, and that, of all the interests which dominate active life, the economic, from the very nature of things, are always the most mighty.

This is a large claim, about which a good deal could be said; when Professor Hildebrand comes down to more recent times, he will not find it easy to substantiate. But if any one has a right to indulge in such preliminary assertions, it is he who sets about his task in the business-like manner of our author. To every paragraph or so of the text is attached a catena of authorities, quoted most of them in full and drawn from a remarkably wide range of anthropological literature; and these are not buried in footnotes, but are given all the advantages of decent type and spacing. I know of no book in which it is easier at every point to follow the author's reasoning.

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The work falls into two parts. In the first fifty-six pages we follow the course of social evolution through the hunting and pastoral stages down to the beginning of agricultural life; and within this brief compass a dozen burning questions are sensibly and sufficiently dealt with. He shows, for instance, that in the lowest stages men do not live together in hordes, but in more or less isolated families; that "horde-marriage" or "promiscuity" is then unknown; that polyandry, when it makes its appearance at a higher stage, is exceptional and the outcome of individual poverty; and that then it does not bring with it the consequences imagined by enthusiastic exponents of matriarchy. He goes on to point out, as perhaps no previous writer has done, what are the economic, and therefore the institutional, differences between the hunting and the pastoral life; and he explains the origin, in the latter stage, alike of serfdom and of chieftainship.

When we have reached this point, we are surprised to find that the rest of the book is given up to a discussion of the condition of the Germans at the time of Cæsar and Tacitus, introduced with the remark that they were still in the stage of half-nomadic life just described. We are reminded of Fielding's parson, who by Christianity meant Protestantism and by Protestantism the religion of the Church of England. With the whole of mankind and of history to choose from, we had hoped to ward off the *agri pro numero cultorum* a little longer. Still our author does but follow the wonted course of German investigation. No one can read the early chapters of Mommsen without suspecting that he would hardly have written as he has about Rome, if contemporary scholars had not been confidently expatiating on the early German *Dorfgenossenschaft*. So now, if we can only get some more satisfactory notions about the early Germans, we may expect in time to reach the Romans and Greeks.

In a short review it is impossible to set forth as it deserves — still less to criticise — Professor Hildebrand's theory of the constitution of early German society. It is far removed from the current Germanist doctrine as presented, *e.g.*, by Waitz and Brunner. Professor Hildebrand is, so far as I know, the first notable German scholar who has cut himself altogether loose from the dominant teaching. Accordingly, it is natural to compare him with M. Fustel de Coulanges. With M. Fustel's work he is well acquainted; but he makes use of it, as it would seem, with perfect independence, utilizing an argument here and there, or rejecting this or that proposition, as he sees fit. And though the two writers agree very largely

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in their negative polemic, they differ widely in the positive indications they give us. M. Fustel took for his point of departure the Provincial *villa;* Dr. Hildebrand takes the *Kirghises* of modern Asia. The method of the former is archæological; that of the latter anthropological. M. Fustel's strength was undoubtedly in destructive criticism; and some of us who took the keenest delight in his operations must at the end have been troubled somewhat by the consciousness of a vacuum that nature abhorred. Dr. Hildebrand's present book is a good deal more promising in the way of reconstruction. That lordship, on the one side, and the "dependence" of the cultivators of the soil, on the other, existed from the very beginning of tillage, he has at least shown to be highly probable. But much remains to be done to give complete consistency and *vraisemblance* to his exposition.

Let us add, to whet the appetite of some readers, that Professor Hildebrand has a new reading, based on an ingenious paleographical argument, to propose in the place of *in vices;* that he accepts M. Fustel's explanation of *Lex Salica, tit. 45;* and that he has heard the roll of Professor Meitzen's big guns (*Siedelung und Agrarwesen*) without blenching.

W. J. Ashley.

Harvard University.

L'Impôt dans les diverses civilisations. Par E. Fournier de Flaix. Première Série. Paris, Guillaumin, 1897. — 2 vols., xxxii, 819 pp.

This latest work of the indefatigable French publicist, although in two volumes, is only the first instalment of what promises to be a stupendous investigation, if it is ever completed. Unfortunately, M. de Flaix has already begun several other investigations, of each of which only a first volume has been published, so that in this case also it may be questioned whether the work will not remain *a torso.* To write the history of taxation throughout the world is not an easy task. To do it adequately, one would need to be, not only a polyglot, but also an archæologist of no mean distinction. To depend upon secondary materials entirely, as does our author, is not always completely satisfactory.

The work before us is divided into four parts. The first treats of the ancient Oriental civilizations, from Chaldea and Babylon to Egypt and China; the second, of Greece; the third, of Rome; and the fourth, of the feudal epoch in France and the other European states. These

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four parts occupy very unequal spaces: two hundred and fifty pages are devoted to the Orient and antiquity, and the remaining five hundred and fifty pages to the Middle Ages. Even thus, however, there is a great deal of padding. When the author, for instance, speaks of the Slavs, he devotes over twenty pages to their origin and historical development and to an account of some of their economic institutions. All of this may be very interesting, but has little or nothing to do with taxation. What is true of the Slavs is more or less true of the other peoples. It must also be noted that most of the space is devoted to that period of taxation with which we are the most familiar — that is, mediæval taxation, English and Continental. This field has been well worked, and it seems unnecessary to go over it again so much in detail. Nevertheless, some of his *aperçus* are very striking, as when he sums up the change from Roman to mediæval traditions, in the sentence: "*L'impôt devint un droit de propriété pour les uns et une servitude pour les autres.*"

The chief criticism to be urged is that the author, while he says a great deal about economic and political conditions, generally fails to grasp the real connection between economics and finance or to call attention to those particular economic institutions which conditioned the fiscal development. Such statements as that the Arab is on the whole refractory to the notion of "taxes consented to and voluntarily paid" (p. 494), show that M. de Flaix sometimes describes as national characteristics what are nothing more nor less than the inevitable accompaniments of certain stages of economic progress.

The two volumes of M. de Flaix cover a great deal of interesting and valuable ground; but, with comparatively few exceptions, they contain little that is not to be found elsewhere; and much of the information that they do contain is not put into its proper perspective. For those, however, who wish to have a convenient epitome of the earlier fiscal systems and a good general account of feudal finance the book may be commended.

E. R. A. SELIGMAN.

A Handbook of Greek Constitutional History. By A. H. J. GREENIDGE. London, Macmillan & Co., 1896. — xvii, 276 pp.

This little volume presents in a useful form the salient features of the constitutional law that characterized Hellenic antiquity. All the qualifications for satisfactorily handling this theme are seldom found in a single author. The facts that the modern student requires in

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order to reconstruct the public law of Hellas are usually imbedded deeply and inextricably in the antiquarian junk of which the average "handbook of antiquities" is composed. Mr. Greenidge, however, has selected and systematized constitutional principles in something of the spirit of the modern political philosopher, and has not allowed himself to be swamped by a mass of extraneous or insignificant details. The book is, accordingly, most convenient for the comparison of Hellenic with later Aryan legal and political institutions.

In his introductory chapter the author explains in a suggestive but withal a somewhat vague and inconclusive manner the Greek conceptions of "state," "constitution," "citizen" and "law." In stigmatizing as "a strange notion" the familiar idea that in Hellas the individual was subordinated to the state, he seems to have temporarily lost his bearings. The construction which he puts upon the phrase criticised is by no means the only possible construction, and is certainly not that which is most common. In describing the Greek idea of law he is more successful; and especially commendable is the stress which he lays, both at the beginning and throughout his work, on the fact that lawmaking "was not contemplated as a regular function of government in Greek states." The relation between *ψηφίσματα* and *νόμοι* at Athens is effectively presented, and the extreme importance of the part played by the Heliastic court in the working of the constitutional machinery stands forth in a clear light. The analogy between the function of this court and that of the United States Supreme Court in respect to constitution-making is rather striking. The precise content of the Athenian *νόμοι* was as uncertain on all points as that of our constitution is on some points. The famous *γραφὴ παρανόμων* raised the question of constitutionality, and the Heliastic court gave the final decision on the case presented. At Athens, as at Washington, constitution-making under the guise of constitution-interpreting went on through the channels of judicial activity. Mr. Greenidge, while clearly suggesting this analogy, is properly aware of the danger of pressing it too far, and his treatment of the point is scientifically circumspect.

The sane and practical method pursued by the author throughout his work is well illustrated by his chapter on "Mixed Constitutions." He defends Greek thinkers from the charge of superficiality in assuming the possibility of a *μικτὴ πολιτεία*, by showing that the charge rests upon the Austinian conception of sovereignty as a law-making power vested in a determinate number of individuals. Such a conception was impossible to the Greek mind, and would have

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corresponded to no fact of Hellenic political life. And even if an aggregate of individuals could have been detected who might constitute a determinate sovereign, the discovery would have had no value to the Greek. To him it was important to know, not what men held power in the state, but how the power was distributed among them.

His sovereign (τὸ κύριον) was merely vested with executive functions; and as it is far easier to conceive the distribution of executive than of legislative power, the idea of a μικτὴ πολιτεία was a far more natural conception to a Greek than that of a "mixed constitution" can ever be to us. [p. 75.]

Mr. Greenidge's treatment of the Spartan state and its dependencies is particularly lucid and instructive. Here, however, as in the description of all the non-Athenian institutions, the exasperating scantiness of authentic information is perhaps the most conspicuous revelation of the work. At times the author ventures to assert without qualification what precision would require to take the form of conjecture; but for the most part he frankly declares the inadequacy of the authorities. At times, again, his expressed or implied analogies with modern conceptions and institutions are a little risky. His use of the very recent phrase "sphere of influence," while exemplifying the convenience of the expression, often varies considerably from the sense originally attached to it in connection with African affairs. The phrase doubtless has before it a great future, which is foreshadowed in Mr. Greenidge's extension of its meaning. That other product of the partition of Africa, "*Hinterland*," does not appear in the present volume; but it will also doubtless soon be seized upon by some historian of classic antiquity.

In the troublesome matter of transliteration Mr. Greenidge is conservative; but he makes the "metics" of our older writers figure as "metoecs," though he inconsistently refrains from transforming the *perioeci* into "perioecs."

WM. A. DUNNING.

Societas publicanorum. Von DR. FERDINAND KNIEP, Professor der Rechte in Jena. Erster Band. Jena, Gustav Fischer, 1896. — xvi, 520 pp.

The conscientious reviewer who has read this book through lays it down with a lively sense of the inadequacy of its title. It should be styled: "Essays upon various doctrines of the Roman law, public and private, as exemplified in Roman financial administration." Such a title would, indeed, give no complete idea of the variety of

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topics discussed, but it would not mislead any one into supposing that the book dealt solely or chiefly with Roman tax-farmers.

Professor Kniep treats the *societas publicanorum* as a point of approach to the ancient Roman world and a point of departure for excursions, some of which extend into the nineteenth century. He considers at more or less length the organization and administration of the Roman treasury at different periods; the sources of the public revenue; taxes of all kinds, especially import, export and transit duties; the salt monopoly; the origin and nature of the lien of the *fiscus* for taxes; the Roman conceptions of *corpus* and *societas* and the modern theory of the juristic person — of which theory Professor Kniep is a most uncompromising enemy; the historical relation of the obligation imposed by unilateral act (*nuncupatio, legis dictio, etc.*) to the obligation assumed by agreement; the origin of the consensual contracts; the early and complete recognition, in Roman public law, of "direct representation," *i.e.*, of agency in the modern sense. The "Third Division," entitled "Municipal Relations," which extends through the last 185 pages, is admittedly one long excursus, for Professor Kniep himself assures us that the farmer of municipal taxes was not a publican. Waiving, however, this question of terminology, we note that in this part of the book also there is comparatively little said about tax-farmers, and a good deal about other things. We have more evidence of "direct representation"; we have chapters dealing with promises to the public (*pollicitationes*), bequests and donations; we have a long and interesting chapter on the system of poor relief planned by Nerva and established by Trajan; and a concluding chapter on the modern *Gemeinde*, which deals wholly with the modern law of *pollicitatio*.

A good half of the book is scaffolding. The texts and inscriptions bearing upon the chief subjects are cited, and many of them are critically discussed, much attention being paid to possible interpolations in the text and to the significance of abbreviations in the inscriptions. All this, of course, enhances the value of the book to the student, but makes it very hard reading.

Upon most of the subjects that he treats Professor Kniep throws new light; and even when his arguments are not convincing, his theories are interesting. Any student of Roman private law, or of Roman public law, or of Roman finance, or of Roman history, or of Roman archæology and epigraphy, will probably find somewhere in the book something that will be of use to him and that has nothing to do with publicans. His quest will be facilitated by a very full

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table of contents, which almost takes the place of an index; an appendix of 21 pages, giving a list of texts and inscriptions cited; and a further appendix of four pages, showing which of the texts and inscriptions are critically discussed.

A second volume is to give the remainder of the "General Part," and is to treat in a "Special Part" of the "tax-farmers in Sicily, in the Vipascensian mining district, in Greece and in Palestine." It is safe to predict that the volume will treat, both generally and specially, of many other things.

MUNROE SMITH.

Congressional Committees. A Study of the Origin and Development of our National and Local Legislative Methods. By LAUROS G. MCCONACHIE, PH.D. New York and Boston, T. Y. Crowell & Co., 1898. — xiv, 441 pp.

There is a strong feeling among scholars that a satisfactory constitutional history of the United States can be produced only after the state constitutions, and the various departments and institutions embraced in our national organization, have been carefully examined in detail by separate investigators. Already the foundation of such a literature has been laid. The interest awakened in the study of the plain facts connected with our political life and with our legislative methods, through the works of Woodrow Wilson and James Bryce, has borne good fruit. The products of the historical seminar are already important. Of this character are Salmon's *Appointing Power*, Kerr's *Senate* and the able monograph of Follet on *The Speaker*. Besides these and many similar academic writings, we have such contributions as Professor Hart's suggestive *Practical Essays* and Professor Goodnow's standard treatise on *Comparative Administrative Law*, with many a helpful paper in the magazines and scientific serials.

Dr. McConachie's book will likewise be welcomed by all who wish to understand the origin and real meaning of congressional government in the United States. The rise of the committee system and the growth of the power of the speaker, in its dual relation to the House and to the committees, are of primary interest to those who would know that our legislative system is the product of American conditions — of the forces that have shaped our political life. Of the nine chapters in the book, seven are devoted to the committee system of the House and two to that of the Senate.

In the opening chapter the "Origins and Antecedents" are dealt

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with in an interesting way. "Most advanced of the thirteen original states were Virginia, Pennsylvania and Massachusetts. Legislative chambers in the other colonies had not attained to a size and an activity which necessitated much interest in new methods." Through the town "committees of correspondence," instituted by Samuel Adams in 1772, Massachusetts gains a memorable place in the history of popular representation. But "first and, next to the Pennsylvania Assembly, the chief medium for transmission of British forms to our Federal Congress was the Virginia House of Burgesses." At its earliest session, in 1619, this body was "ludicrously, yet reverently, imitative of the mother assembly that sat beneath London spires." In Virginia, before the Revolution, the famous "intercolonial committees" had their birth.

At the time when the Federal Union began, the Virginians were making a large use of select committees, each of which was created after discussion of a subject in the committee of the whole had revealed the advisability of bringing in the bill. They had also an emerging block of standing committees appointed at the beginning of and lasting throughout the session.

In estimating the influence of English forms through Virginia on congressional procedure Jefferson's classic manual of parliamentary practice, his "legacy to the Senate upon retiring from his chair," should not be overlooked. He acknowledged his debt for information to Hatsell, clerk of the Commons from 1760 to 1797. Still, it was Pennsylvania that "furnished much the largest part of our legislative devices." In Penn's "Frame of Government" was suggested a scheme for committees which embodied the ideas of America's future. As a result, the "crude written procedure" outlined in the journal of the first Pennsylvania Assembly, 1682, as modified from time to time, formed in the Revolutionary days "a code of nineteen neatly arranged and numbered rules"; and this was handed down to the Federal Congress, "whence its influence has spread throughout the length and breadth of the land." Furthermore, it is a striking fact that a "large share in legislation belonged to the Pennsylvania speaker from the outset."

The second chapter considers "The Public and the Committees." The gradual expansion of the speaker's power, until that officer has been styled the "American Prime Minister," is dwelt upon; and the practical limitation of that power through the necessity of state representation in the committees is brought out. The author regards the growing practice of admitting private citizens, members of the

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"lobby," to "committee hearings" as a healthy sign; advocates the choice of the speaker by popular vote; and sees in a certain senator's designation of the committees as "little legislatures" an indication of their future history. Congress may "resolve, say, to make each one at least of the principal committees a true miniature of itself. The children of the old assembly will in their maturity have separate homes of their own," with all the appliances and conveniences for separate work, of which a record may be kept. In this chapter, as well as in those following on "The Committees and Private Interests," "The Control by the House," "Select and Standing Committees," "Equality and Leadership" and "Bonds between Judiciary, Executive and Congress," one finds abundant evidence of careful research and of fresh and minute information gained at first hand from contact with the living actors in the great congressional drama. The chapters on the Senate are written in a similar spirit.

On the whole, Dr. McConachie has given us a valuable contribution to the study of American politics. His book is not free from faults of style. There is too much use of simile and metaphor, not always skillfully employed, which sometimes obscures the sense or in a provoking way takes the place of exact statement when precision is greatly needed. Still, even with this fault, not a very prominent one, the book is one of the very best in Professor Ely's useful series.

GEORGE ELLIOTT HOWARD.

Proceedings of the Louisville Conference for Good City Government, and of the Third Annual Meeting of the National Municipal League, held May 5, 6 and 7, 1897. Philadelphia, National Municipal League, 1897. — vi, 294 pp.

The groping of the student of city government for the true solution of American problems would be most amusing were the situation not so serious. This last volume of *Proceedings* contains hardly a paper that does not present some panacea for our ills, and many a writer affects surprise that we have not yet adopted his remedy. In nearly every case the remedy suggested "has been tried in European countries with great success."

The English council system receives considerable endorsement, especially in the paper by Mr. Frank M. Loomis, entitled "The Exclusion of Partisan Politics from Municipal Affairs." Mr. Loomis asserts that a small number of elective offices and nomination by petition are the characteristic features of the English system and of

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European systems generally, and that these features account for the efficiency of English and Continental administration. We have here a mistake of fact and a defect of logic. A small number of elective offices is not one of the characteristic features of English local government. In addition to the borough council or urban district council, there are boards of guardians, school boards, *etc.*; and Englishmen themselves criticise the multiplicity of their local authorities. The error of logic is the familiar *post hoc, ergo propter hoc.* If the factors mentioned above were the *sine qua non*, there might be some ground for Mr. Loomis's conclusion; but there are other factors, which he ignores, that have had greater influence. Some of these will be suggested by even a cursory reading of Professor Goodnow's paper upon "The Powers of Municipal Corporations" and of Mr. MacVeagh's paper on "The Business Man in Municipal Politics." Limited suffrage, a higher standard of official skill, a civil service based on merit, a different relation between the central government and the local authorities, and a more perfect differentiation of functions — all these are factors quite as important as those upon which Mr. Loomis lays stress. Mr. Loomis also develops the thesis that the legal recognition of the caucus is the primary cause of "partisanship" in municipal politics, and that the withdrawal of this legal recognition would result in the nomination and election of more efficient men. But it is a serious question whether the advantages of concerted action would not perpetuate the caucus with its prestige undimmed, even if it were not recognized by law. It existed before it was recognized, and it probably would continue to exist after recognition had been withdrawn.

The paper by Mr. Horace E. Deming, "The Legislature in City and State — 1797–1897," is mainly devoted to an examination of the wide distrust, both of state legislatures and of city councils, that has grown up within the present century. In the state this distrust has led to the embodying in the constitutions of many stringent limitations upon the powers of the legislature. As regards the city, special legislation and the transfer of powers from the council to administrative boards have been the result. Mr. Deming finds the remedy in the English council system, and thus lays himself open to much the same criticism as does Mr. Loomis. He is undoubtedly correct in condemning legislative interference through special acts, but the remedy is hardly local irresponsibility. At the other extreme from legislative tinkering is local independence with no superior control at all, and this latter system has proved as unfavorable as the former

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to efficiency of administration. The correct solution seems to be that which England has adopted fully and the United States to some extent — central administrative control with large local powers.

This plan is considered in Professor Goodnow's excellent paper, "The Powers of Municipal Corporations." After developing the thesis that the city is both "an agent of the state government" and "an organization for the satisfaction of local needs," he maintains that the real problem of municipal government is not to find the proper internal organization of the municipality, but to provide the proper system of central control over those functions which interest the state as a whole, and at the same time to grant freedom of action in matters that are of purely local interest. In place of legislative control, which for reasons given must necessarily lead to inefficiency, Professor Goodnow would substitute the plan stated above, which he shows is correct in theory and beneficial in practice. Where it has been tried, special legislation and interference in local matters for political reasons have disappeared. Local interest has been stimulated rather than retarded, and greater efficiency of administration has always followed. In England, for example, where this theory has been consistently followed, the average number of local and personal acts annually passed by Parliament from 1881 to 1890 for all of England, Scotland, Ireland and Wales was only 172. During the same period the New York legislature yearly enacted 128 relating to cities alone.

Professor Rowe, in his paper upon "American Political Ideas and Institutions in their Relations to the Problem of City Government," looks at the situation from a different point of view. He argues that our failure to secure efficient municipal government is due, in part at least, to our attempt to solve municipal problems along the lines which we follow in our national and state governments. The peculiar conditions of city life foredoom such experiments to failure. In the last two-thirds of his paper Professor Rowe makes an energetic plea for new departures in municipal activity, adopting as premises the strong influence of environment and the marked effect of offering new services or commodities. Let the city once set an example, and other agencies will follow it. Let the city offer a commodity at a lower price than is being paid for one that is less desirable, and the new commodity will be substituted for the old. By properly choosing the new services to be offered, the standards of life may be elevated and a higher social order established. Many will conclude that it would, therefore, be wise to increase municipal functions; but Professor Rowe does not go so far. He merely

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shows the possible influence of the city through its power to determine environment and to offer new services. He errs in not pointing out that with this great power for good there is an equally great power for evil. He is to be criticised not so much upon what he says as upon what he fails to say. But perhaps he is willing to accept the doctrine that by increasing municipal functions better government will be secured — a doctrine maintained in some quarters, but containing quite as much error as truth.

The other papers in this interesting and stimulating volume are devoted to describing municipal conditions in various cities, their form of government, and the efforts that have been made to secure better administration and a higher standard of service. Mr. Clinton Rogers Woodruff briefly reviews the year's work in our larger cities, and points out that three subjects have absorbed the attention of practical reformers — namely, charter reform, public control of municipal monopolies and civil service reform. All in all, the outlook seems to be encouraging.

MILO ROY MALTBIE.

NEW YORK CITY.

The Finances of the City of New York. By EDWARD DANA DURAND, PH.D. New York, The Macmillan Co., 1898. — 397 pp.

In giving us this little book Dr. Durand has done a genuine public service, particularly because of the very immediate applicability of his work to the solution of the municipal problem in our chief American city. The difficulties of the author's task were many, and can scarcely be appreciated by those who have made no effort to understand the complexities of our so-called financial system — can, in fact, be appreciated only by those who, after devoting years to its study, have discovered its almost complete unintelligibility. Thus, the taxpayer, desiring to find out what the cost of city government is, naturally and necessarily has recourse to the annual report of the comptroller. The first thing he discovers is the complete impossibility of finding out from this source anything whatever with regard to the expenditures for the two years immediately preceding, because of the simple fact that the law is systematically disregarded by keeping the reports invariably from a year and a half to two years in arrears. The taxpayer's inquiry, therefore, instead of yielding practical results, becomes entirely historical. When he does attack the comptroller's report, — even if he be an expert accountant, provided he has had no experience in some one of the chief departments

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of the city government, — he finds that the document is as incomprehensible as if it were written in an unknown tongue. The result of all this is that, vast as are our municipal expenditures and heavy as are the burdens felt by the individual taxpayer, practically no one in the community knows what the cost of the city government is from year to year; and an intelligent comparison of the results of one year with another, or of our own expenditure with the expenditures of other cities, is quite out of the question.

One of the chief services rendered by Dr. Durand is that he has not only said these things in his own way, but has given clear and convincing proof of the fact that the "financial system" of New York City is entirely unworthy of the name. He has been able, after infinite pains, so to reconstruct the system of accounting as to show intelligible results, which are unobtainable in any other volume. His work is not only the history of the finances of the city from its colonial beginnings, but it is a history as well of the reasons for the technical disorders of the system and of its failure to accomplish the objects for which it nominally exists. Dr. Durand quite justly insists

> that the outer form and the practical working of the financial system have been intimately dependent upon the condition of the general municipal administration and of state and national politics. The control of the purse is indeed naturally of prime importance in municipal affairs, and both the form and the spirit of the city government will be reflected very perfectly in the financial management; while, on the other hand, any change in the form of the financial system tends strongly to affect the character of the general administration.

These considerations, which have led to the writing of the book, make it as valuable for political as it is for financial history. By this is not meant that it covers a history of party politics of the schemings and manœuverings of party leaders, of majorities and of details of the distribution of the spoils, but that it embodies a general institutional history, without which any attempt to understand the financial system of the city would be quite hopeless. To accomplish its purpose as a genuinely valuable financial history, it was absolutely necessary that the author should, at the same time, make it a complete history of the development and distribution of governmental functions in the municipality. This he has happily and successfully done; and the features of the book which most strike one are just those features which are always most praiseworthy — namely, thoroughness, conscientiousness, temperance, proportion.

The great practical value of the book lies in its second part, which

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is entitled "Present Working of the Financial System." This may be treated as a key to the comptroller's reports; and with this key the student of municipal affairs is enabled for the first time to find his way through the labyrinth of misnamed, misleading, illogical and incoherent accounts. Under our present system there is absolutely no effective publicity in respect of financial matters. Fancy a system under which the total net annual expenditure is not given in the comptroller's report, and where each reader has to make his own analysis of city expenses and, so to speak, rewrite the city's books! This Dr. Durand does, following in part Professor Clow's proposed classification. Here we might raise certain objections to the author's plan, but to do so would be to enter upon a long and difficult technical discussion which goes to the very roots of the theory of municipal accounting, and concerning which there never can be perfect unanimity.

Dr. Durand has done more than any one else in helping to make publicity possible, because, although comptrollers' reports will probably for years remain what they have been in the past, he teaches us how to study and how to understand them. He makes known to us, moreover, the exact mechanism of the financial system, and in such a manner that we appreciate as never before how completely it falls below all of the standards and requirements of scientific financial machinery. In the hands of students of the municipal problem, of the more intelligent city officials and even of the honest members of the legislature, this little book should prepare the way for the elimination of many of the inconsistencies and incongruities of the present system, and for the substitution in their place of a really scientific financial mechanism. This, in turn, would make possible an honest and intelligent system of accounting, so that publicity would be effective, and financial and administrative responsibility might become somewhat more than empty names.

It may be said that, in view of the new charter, the chief interest of the work in question is historical. Such, however, is not the fact. The financial system of Greater New York is in all essential respects identical with that of the old city, except that the defective system of the old city is rendered more complex and unintelligible by the new charter and the tremendous multiplication of accounts incident to the annexation of the neighboring communities. To understand the present system, therefore, requires a thorough knowledge of its development; and that knowledge is only to be gained by a study of the history of the financial system of the old city.

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In his conclusion Dr. Durand finds that the two chief factors in the charter and financial history of the city have been the desire to gain political advantage and the desire to check existing abuses; and he sees clearly, as all other students before him have seen, that the latter has been much the less effective factor. Consequently, he says that "the natural result has been that most changes in the form of government have been mere patches, mere expedients to accomplish an immediate end, rather than carefully studied, systematic changes"; and he does not find that the new charter of Greater New York differs in these respects from any of its predecessors. He insists that, while the government has escaped violent and revolutionary changes, it has, nevertheless, not had the advantage of normal, gradual development corresponding to the new conditions.

The book goes a long way toward preparing the road for the necessary reforms. It is to be hoped that Dr. Durand, or some other equally devoted student, may now take up the work where it has been left and give us a complete analysis of the system under the new charter, with detailed critical suggestions for conforming this system to well recognized scientific practices.

WM. M. IVINS.

NEW YORK CITY.

Thirty Years of American Finance: 1865–96. By ALEXANDER DANA NOYES. New York and London, G. P. Putnam's Sons, 1898. — xii, 277 pp.

Few periods in the financial history of this or any other country will better repay careful study than the one treated by Mr. Noyes in this book. To this period great scientific interest attaches, for at least three reasons: (1) The uninterrupted peace and rapid industrial development which characterized it were favorable to the execution of financial plans; (2) the triumph of the Union cause in the war which had just closed and the great material prosperity of the period gave to the republic an opportunity to exhibit its characteristic traits; and (3) the financial operations which were carried out during the period were great in extent and comprehensive in scope. They included the refunding and partial payment of an enormous public debt and the contraction of a new one of considerable dimensions; the remodeling of the system of taxation at least half a dozen times; the practice of both deficit and surplus financiering on a large scale; numerous currency experiments of the most novel sort; and experiences in banking and stock-exchange manipulations which were often unique and always instructive. On account of the inval-

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uable lessons for the guidance of our statesmen and sovereign people which are involved in the financial experiences of the period, its study should be seriously recommended to every citizen.

Mr. Noyes's book should be welcome both to general readers and to students. His selection of topics, the admirable perspective of his treatment, the clearness and forcibleness of his style, and the fair-mindedness which he displays in the treatment of political parties should commend it to the former; while his grasp of the principles involved, his thorough mastery of the facts, his constant reference to original sources of information, and his skill in unraveling and interpreting the complex phenomena of the period should give him the admiration and the confidence of the latter.

The thirty years under review are classified by Mr. Noyes into the following periods: (1) The years 1865–75, characterized by the greenback movement and by the more or less serious efforts towards resumption which finally resulted in the Act of 1875; (2) the years 1876–79, characterized by the attempts made in Congress to defeat the resumption movement, by the Bland Act of 1878 and by the final triumph of resumption, largely through the persistent efforts of John Sherman; (3) the years 1880–84, during which specie payments were actually resumed and the treasury began to experience the effects of the silver legislation; (4) the years 1885–89, during which the accumulation and disposition of the surplus were the most important financial phenomena; (5) the years 1890–93, characterized by the McKinley Tariff and the Sherman Acts, by the appearance of the deficit, by the foreign gold movement and the crisis of 1893; and (6) the years 1894–96, characterized chiefly by the bond issues and the struggles for the maintenance of the gold reserve.

The treatment of this great variety of topics is made to centre about the operations of the treasury, and Mr. Noyes has succeeded in making very clear the relations between our currency experiments, the tariff laws, the foreign rates of exchange, the speculation on the stock markets and produce exchanges, and the vicissitudes of trade and industry during the period, on the one hand, and the financial problems of the government, on the other. Especially noteworthy are his analysis and interpretation of the period since 1890. He traces with a masterly hand the interrelations of the fluctuations of the gold reserve, the periodic movements of the redundant legal tender currency to and from New York City, the continuous unloading of American securities by foreign investors, the deficit which Congress persistently refused or at least failed to remedy, and the

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numerous vicissitudes of domestic and foreign trade. He explains with great clearness and force the dilemma in which Secretary Carlisle found himself at the opening of the year 1894, the reasons for the failure of the bond issues of January and October to bring permanent relief, the treasury crisis at the beginning of 1895, when the maintenance of gold payments was very seriously threatened, and the bold movement of the President in making the contract with the bond syndicate by which the crisis was averted. The interest of the narrative and the skill of the author in marshaling a great variety of facts in such a way as to emphasize and make clear the main points constantly challenge the reader's admiration.

Critics of this book must aim their shafts at the author's interpretations of men and events. Here there is frequently opportunity for differences of opinion; and in many cases Mr. Noyes has not presented a sufficiently comprehensive array of facts to justify completely his conclusions. His interpretation of the greenback movement, his account of the motives back of the Sherman Act, his explanation of the causes of the crises of 1873, 1884 and 1893, his criticism of Secretary Carlisle's frankness with the Fifty-third Congress and of Senator Sherman's inconsistencies come under this head. On all these subjects, however, he speaks with authority and inspires confidence in the views he expresses. To have treated them with thoroughness would have unduly expanded his book, injured its symmetry and made it less useful for the general reader. Inadequacy of treatment is, indeed, a necessary fault of a small book on a large subject. Of course Mr. Noyes has not said the last word on topics which require for their complete elucidation a more thorough and comprehensive study of our economic history than any man has yet made; but he has performed a very difficult task in an eminently satisfactory manner, and deserves the gratitude of people who can appreciate the value of such work.

WM. A. SCOTT.

UNIVERSITY OF WISCONSIN.

Die Finanzverhältnisse der Einzelstaaten der Nordamerikanischen Union. By DR. ERNEST LUDLOW BOGART. Jena, 1897. — 157 pp.

This monograph treats of some of the more important aspects of American finance, from the historical, descriptive and critical standpoints (p. 3). The chapter on the financial history of the states contains a good view of the course of the financial activities of the states and some interesting criticisms. The most striking fact in regard to state finance is the insignificance of the state budgets as

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compared with those of the central or local governments. The explanation of this fact is found in the financial history of the states, which Dr. Bogart divides into three periods: first, from 1789 to 1820, an era of slight activity, with few demands on the state; second, from 1820 to 1850, a time of great financial enterprises, in which the states undertook many things, while the federal government did very little; third, from 1850 to the present day, a period during which the states have again displayed little activity, while all encouragement of industrial enterprises has been left to the federal government. Of these the most interesting period was from 1820 to 1850. The general European peace, improvements in machinery and greater freedom of trade, with other causes, conspired to encourage the people in false hopes of an excessively rapid development. Loans were made far beyond the reasonable prospects of profitable investment, and all kinds of improvements were attempted at once, so that great amounts of capital were locked up in enterprises which were either of doubtful value or incapable of making a quick return. This general furor for public improvements was aggravated by local conditions, among which may be mentioned the paper money inflation, the division of the surplus among the states, the deposit of federal funds with the "pet" banks and the rapid sale of public lands. The reaction came, of course, when it was found necessary to pay by taxation the interest on the debts. Sometimes this resulted in repudiation; but, aside from that disgraceful feature, it had two important and far-reaching consequences: first, the substitution of private corporate enterprise for public enterprise; and, second, the limitation of the financial activities of the states through restrictions put upon the competence of the legislatures.

Constitutional limitations on the state governments, it may be observed, were characteristic features which developed long before the financial difficulties arose. Dr. Bogart is, nevertheless, quite right in tracing many of the present limitations on the financial powers of the state governments to their unfortunate experiences in the middle of this century. These limitations are both general and particular. Some general provisions were incorporated in the constitutions when they were first drafted — as, for example, rules requiring that taxation should be proportional, that public money must be appropriated by the legislature, *etc.* More particular rules — generally originating in the disastrous experiences of the states — are those, for example, which require that appropriation bills shall

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not be introduced after a certain date, that taxation shall not exceed a certain percentage of the property valuation, *etc.*

> According to . . . these constitutional limitations [says Dr. Bogart], the assumption appears to be widespread that the legislative houses are hopelessly incorrigible and that no more may be left to them than is absolutely necessary, and this minimum only under the greatest limitations [p. 36].

The second part of the monograph deals with the legislative and executive methods of preparing the budget. Dr. Bogart thinks that too much work is done in the standing committees — work that ought to be done in a committee of the whole. He also says:

> It is one of the peculiarities of the finance legislation of the American states that the task of raising money and the task of determining its expenditure are intrusted to different committees, so that duties which naturally might appear inseparable are turned over to bodies among which no bond exists [p. 58].

The third part describes the budget of the states, the various items of expenditures and the resources. Here an attempt — not altogether successful — is made to give a description of the various kinds of taxes. The subject is very extensive and very intricate, and could scarcely be more than hinted at in the few pages devoted to it. Besides showing some inexactness, apparently due to the use of secondary sources, the statements of the tax laws are much too short to be explicit, and often give but a shadowy idea of what the taxes really are. The classification of the different resources of the states is, moreover, rather peculiar. Thus, interposed between corporation taxes and income taxes we find a description of the returns from prisons and the sale of lands. This arrangement seems to be decidedly unscientific. Part four contains an account, largely statistical, of the state debts, of the different sinking funds, *etc.*

There are a good many useful tables, taken largely from the Eleventh Census, including two which show the constitutional limitations on financial legislation, *etc.* The typographical errors are, unfortunately, numerous: Iowa, for example, is persistently misspelled Jowa. This monograph, then, though it contains a valuable and interesting treatment of some subjects, is of uneven merit. The description of the tax systems does not add to its value; but the presentation of the historical development of the financial activities of the states and the discussion of the limitations on financial legislation are both excellent.

FRANCIS WALKER.

COLORADO COLLEGE.

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State Aid to Railways in Missouri. By JOHN W. MILLION. (Economic Studies of the University of Chicago, No. IV.) The University of Chicago Press, 1896. — xiv, 264 pp.

The aim of this study, says the preface, "is not . . . to discuss the question of the advisability of state aid or control; it is merely to present some information on state aid to railways that may be of value in the present discussion of similar questions." With this declaration before us, it is legitimate to consider how far the author has succeeded in attaining his object.

From the very outset — for, curiously enough, such errors are far more common in the first than in any later chapter — the reader's attention is diverted by instances of the slipshod work of the writer. One may pardon numerous minor errors; but, as regards work put forth under the auspices of a great university, the mantle of charity can hardly be stretched to cover such language as the following: "what makes the experience of New York so *deprecable*" (p. 11); "the railway was *transplanting* the common highway" (p. 3); "the state was the only power, corporate or otherwise, that could issue bonds of a *denomination* large enough to secure the required capital" (p. 8); "it is not intended here, however, to *connive* at the partial repudiation" (p. 25).

This looseness in the use of language is, moreover, closely connected with serious looseness of reasoning. On page 44, for example, appears the following sentence:

> The annexed table shows clearly that those states which left such work [the extension of railways, *etc.*] to private enterprise had, according to the number of inhabitants and the amount of taxable wealth in each, quite as ample railway accommodations in 1850 as the states which aided the railways and were *not* in debt for them.

What does this mean? Should the "not" be omitted? Waiving this point, it is obvious that such an effort to gauge railway facilities is worthless, unless supplemented by a careful statement of the needs of each state concerned. Thus, while the table shows that Rhode Island had in 1851 only .625 miles of railway for each $1,000,000 of wealth, while Connecticut had 3.55 miles, nobody will believe, from these statistics alone, that the needs of Connecticut were six times as well supplied. Furthermore, as regards the author's general contention that the table affords a comparative measure of accommodations, which supports an argument for the superiority of non-aided railway development, it may be noted that among the states "not aiding"

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three had percentages (on the above basis) *lower* than that of Rhode Island, while among those "aiding" only one fell below that figure. Finally, it may be suggested that a much more useful table — so far as throwing light on the merit of the policy of state aid is concerned — might be constructed by ascertaining for each state the ratio between the geographical inducement to build lines to reach the West and the topographical difficulty of doing so! No explanation is given of the mechanism of this table; and such apparent anomalies as the inclusion under the category "states not aiding" of Massachusetts, which on page 27 is credited with having aided railways to the extent of $6,044,555, perplex and annoy the attentive reader.

Part of Chapter I is devoted to "a cursory review of the experiments in other states" during the period 1806–50. This account, which is merely a compilation based mainly on a well-known series of articles (of doubtful value) in *Hunt's Merchants' Magazine*, has no value to the student; while, from its incompleteness, it is absolutely misleading to the general reader. In fact, these articles seem to have misled the author himself. Thus, he says of Massachusetts that "the amount of $6,000,000 *represents the limit* of her railroad ventures" (p. 27; see also p. 44); whereas she later invested in a single line — the Hoosac Tunnel road — about $25,000,000.

Upon the author's general conclusions concerning the results of state aid throughout the Union little dependence need be placed. Thus, he says: "We have seen that private parties laid out better lines of railways in Pennsylvania than the state government did. Private enterprise outran public activity in Massachusetts" (p. 226). In this unqualified form both these statements are certainly misleading, and probably untrue. Again, he says: "The plans, systems or policies of state aid, as such, have all failed." Here we can only ask, after studying his book: Where is your proof? Who is your authority?

The body of the book is devoted to a study — apparently careful, although the results are not always made clear — of internal improvements in Missouri. State aid practically began in 1851, when bonds for $3,500,000 were granted to two roads. It was intended to build a general system radiating from St. Louis, and the scheme at first enjoyed the highest public favor. The climax of the policy of aid was reached in 1855, when the state thus gave away $11,000,000; and the last attempt to grant aid was made in 1860.

Up to that time, the author says, "there is indeed little evidence of corruption, . . . yet there is evidence of exceedingly loose manage-

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ment and of some extravagance" (p. 122). In 1855, however, was introduced the notion of allowing the state's claims to become second liens on the various roads — an idea which bore bitter fruit in 1864–65, when the Northern Missouri Railway secured releases to the amount of $6,000,000; in 1867, when the same road secured a release from a *second* lien of $6,960,000 on paying $200,000 and promising to complete the road; and in 1868, when the Pacific Railway secured a release from claims for over $11,000,000 for $5,000,000. Of this last transaction the author says: "The passage of the bill releasing the lien of the state was secured by a falsifying, mercenary committee from legislators, the majority of whom were as venal as the committee was mercenary" (p. 186). Again, in 1866, certain roads were sold, the state receiving $391,616 for lines which, says our author, had cost $6,478,070 and were worth about $3,000,000. Soon after an investigating committee reported that "there was collusion between the [state] commissioners and the 'ring'" which bought the roads.

Through her industrial experiments, Missouri, according to Mr. Million, as the result of incompetency and of "corruption of the most disreputable sort," "lost her financial honor" (pp. 224–28). For this conclusion we can have respect, since it appears to be based on first-hand investigations; and for accomplishing so much, along the lines laid down in his preface, the author has the thanks of students.

COLUMBIA UNIVERSITY. A. M. DAY.

Die wirkliche Entstehung der Capitalien. Von DR. JUR. OSCAR JURNITSCHEK. Berlin, Puttkammer & Mühlbrecht, 1897. — 144 pp.

In this monograph Dr. Jurnitschek attempts to refute the socialistic theory of capital and to formulate a rational theory of the origin of capital. The refutation derives its special value from the fact that it is based upon modern economic theory. Karl Marx is accepted as the authoritative exponent of theoretical socialism, and his fundamental propositions concerning capital are reviewed in order. The author strikes immediately at the very foundations of socialistic belief by denying that labor is the cause and measure of value. This denial is supported by such keen analysis and by such an array of illustrations that it is difficult to see what logical resource is left to the defender of the socialistic faith.

The constructive part of the work is, perhaps, a trifle less satisfactory, partly because of the controversial spirit of the author.

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The accumulation of capital cannot be accounted for [says he] simply by the setting apart of goods; there is necessarily involved a surplus of production over consumption, and this surplus of productive power is what needs to be accounted for.

"How does it happen, then," he continues, "that the production of a community exceeds its consumption?" According to the Manchester School, this surplus is due to the productive power of labor; but this answer leaves us just where we started. According to Mill, it is due to the fact that the laborer produces more than enough to support him; and this answer is no better than the last. According to Marx, the lengthening of the labor day with no increase in the wages accounts for the surplus. This, however, is essentially the same answer as Mill's; and, if we consider the employer as himself a laborer, the surplus is still unaccounted for, since the employer himself is a consumer.

The author traces this surplus back to its original source in the human will, conditioned by certain objective facts — such as the productive power of nature, the perishableness of goods, the increase of numbers and the growth of wants. To produce it, some one must voluntarily forego certain forms of consumption and work harder for the distinct purpose of securing an economic advantage. It need scarcely be pointed out that this is another form of the abstinence theory; but, as thus presented, it will doubtless appeal more strongly to those who like the style of argument used by Karl Marx, and will thus serve an important controversial purpose.

The author's style is clear and forcible, interspersed with a good deal of rather caustic humor which does not detract from its interest; and his German is easier than that in most German treatises for the English-speaking student.

T. N. CARVER.

OBERLIN COLLEGE.

The Bargain Theory of Wages: A Critical Development from the Historic Theories, together with an Examination of Certain Wages Factors: the Mobility of Labor, Trade Unionism and the Methods of Industrial Remuneration. By JOHN DAVIDSON, M.A., D. Phil. (Edin.), Professor of Political Economy in the University of New Brunswick. New York and London, G. P. Putnam's Sons, 1898. — viii, 319 pp.

This book deserves a welcome. It is a sincere attempt, first, to appraise the worth of those theories of wages which have for a time

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gained wide acceptance and to show to what extent these theories were historically and relatively justified; and, secondly, to show that these theories are "not mutually antagonistic, but in a sense complementary" (p. iv), and to harmonize them in an "eclectic theory," which embodies all that is of permanent value in them. In the final chapters it reargues the theoretical question in immediate connection with certain practical problems. To say any but favorable things of a book so fair-minded, interesting and ingenious may seem ungracious, but from the secure position of negation it appears to us that the author is far from succeeding in his task.

The subsistence theory, in its various forms, is said to be a supply theory only, and the leading version of the productivity theory one of demand only. The wages-fund theory is "in form at least the most adequate attempt to resolve the wages question" (p. 135). The author's discussion of this topic is not especially lucid. He says that the wages-fund theory is one "of the demand and supply of labor" (p. 134). "It recognizes that there are two sides to the equation" (p. 135). But again, since the supply of labor is supposed to be determinate (p. 51), "it is entirely a theory of the demand for labor" (p. 52). Again, "the fundamental error of the wages-fund theory consists in treating both supply and demand as fixed quantities" (p. 134). The question is, he says, one as to real, not as to money wages (p. 62); for the source of such wages is in the stock of goods which have been preparing for use during many years (p. 56), and this stock is an approximately fixed amount (p. 63), out of which the receivers of rent and interest, as well as the laborers, are paid. Having thus deprived the expression "wages-fund" of significance, he continues to use it as if it had some.

The first part of the chapter on the productivity theory is a valuable exposition. The two versions, which state the causal order, respectively, as *higher wages, therefore greater efficiency*, and *increased efficiency, therefore higher wages*, are clearly distinguished. But in his criticism of the second of these versions Professor Davidson certainly goes far astray (pp. 119–126). In brief, his rejection of it rests on a failure properly to interpret the meaning of "contribution" in the theory of value. His argument that we cannot determine the contribution of labor is both naïve in its method and far-reaching in its application. If true of labor, it is equally true of the other factors. But note the method! He raises the question (p. 119), What is the nature of the contribution made by each factor? It is not physical, for — then follows the old economic puzzle about free

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goods, which are of great importance to the product, yet do not on that account have any value; and then the other familiar puzzle about complementary goods, the contribution of no one of which can be determined by comparing the amount of the product when it is present with that when it is not present. All of this is entirely true; but it applies to almost every case of value, and it leaves absolutely untouched the proposition which the author believes he has overthrown — that labor receives what it has contributed (in the economic sense) to the product. By economic contribution is meant the value that is logically attributed — that which with free competition would be practically assigned to the agent. It is the marginal utility or, in older phrase, the price at which the demand will just carry off the supply. It may rise or fall, in the case of any economic agent or good, from causes extraneous to itself. The author's confusion on this point, in his discussion of the shares going to labor and capital in the United States and Canada (pp. 98–101), is an interesting example of good facts and bad theory.

Finally, after showing that Walker's residual theory is fallacious (pp. 113–118), the author becomes an economic agnostic:

> We must get rid altogether of the idea that there is an economic force which allots absolutely any share of the product, even the smallest, to any of the claimants [p. 119]. . . . The destructive criticism to which each successive attempt has been subjected leads us to the conclusion that the need for absolute determination in the theory of wages is illusory. . . . A review of the phenomena of distribution shows us that there is no definite law in accordance with which just so much, and no more, is assigned to any one of the claimants [p. 118].

The author's own explanation, his "bargain theory of wages," is thus confessedly not a theory at all, but an averaging of errors to arrive at the truth. It is an "eclectic" grouping of false doctrines, and an attempt "to recognize the measure of truth and explanation contained in each" (p. 128).

In the subsistence theory of wages, Professor Davidson finds the minimum of wages — "the supply price." In the productivity theory, and "the estimate which the employer forms of the efficiency of labor," he finds "the demand price" (p. 132). The wages-fund theory, he concludes, gives us the proper form of an equation, wherein both supply and demand are recognized.

> The value of labor will generally be determined neither at one estimate nor at the other, but somewhere between the two estimates, in a kind of debatable ground, as it were [p. 142]. . . . Between these two limits

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the value of labor is determined by the comparative strength of the bargainers [p. 162].

Throughout the book the personal element in the higgling of the market is greatly exaggerated: each factor is personified (pp. 123, 124), and is represented as getting a share only because it can threaten and browbeat the others, while the determining impersonal forces back of these apparently dominant influences are absurdly underrated.

In fact, there has here been dignified with the name of a theory a shrewd and suggestive discussion of the various practical forces which limit or facilitate competition. The "contribution" or "efficiency" form of the productivity theory is merely a hypothetical statement of the point at which wages will be fixed, free competition being assumed. This important condition has been overlooked by many; and the author renders an important service in so clearly and forcefully showing the effect of greater or less knowledge of the market conditions on the part of the laborer (pp. 164, 165), of the truck system (pp. 165, 287–311), of self-respect and character (p. 166), of trades unions (pp. 167, 254–280), of legislation and public opinion (pp. 168–173). But this is not a theory of wages: it is a case of not seeing the wood for the trees. Pervading the book is a confusion of the concepts of theory and practice. For example: "Theoretically, the employer has the laborer at his mercy owing to the necessities of living; practically, he dare not push his advantage" (p. 148). Such a conception of theory is destructive to clear thinking. If the author had professed not to present a new theory, but merely to describe and discuss concrete circumstances, even the practical conclusions would have been more valuable.

Professor Davidson has shown (p. 123) that it is as true of the other factors as it is of labor, that the share of each is determined "by the strength of the bargainers." He does not recognize the consequence of this. If what he has presented were valid, it would be not merely a "bargain theory of wages," but a bargain theory of value. As such it can hardly find acceptance. It is, however, an interesting example of the most extreme reaction from the old assumption of perfect competition.

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L'Avenir de la race blanche. (Critique du Pessimisme Contemporain.) Par J. NOVICOW. Paris, Felix Alcan, 1897. — 183 pp.

M. Novicow's book is good reading for any time, and especially good reading now. Rapidly moving events in the far East have

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called the attention of all European nations and of the people of the United States to practical problems of first-class importance, which have yet to be worked out through the intercourse of Western with Eastern peoples — through the conflict of progress with obstinate conservatism. Other events not less dramatic have called attention to the alleged decadence of portions of the white race hitherto supposed to be in the highest degree civilized and intelligent. From these occurrences pessimists have confidently argued that Western civilization may already read the writing on the wall that foretells its overthrow by barbarian hordes, as Babylon and Memphis, Athens and Rome were overthrown in earlier days. This time, however, according to the prophets of evil, civilization itself will perish, because the races that are to invade and destroy have no such inherent capacity for progress as had the conquerors of the past.

Chief among these prophets have been Mr. Charles Pearson, whose gloomy book on *National Life and Character* was reviewed in these pages two years ago, and M. A. Faguet, whose article "La Prochain Moyen Age" in *Le Journal des Débats* of July 25, 1895, created a sensation throughout Europe. Both Pearson and Faguet made much of the industrial qualities of the Chinaman and the negro and of their high rate of reproduction. Both Pearson and Faguet, but Faguet more especially, believed that China could overpower Europe by violence, and very likely would do so. Pearson emphasized also the diminishing birth rate of France and of portions of the United States, the decay of the family and of morality in Europe and the tendency of the West generally to prefer luxury to the hardy discipline that fits nations for war.

In reviewing Pearson the present writer pointed out the fallacy of the assumption that races now prolific and unused to the keen industrial competition of the Western business world, would remain equally prolific after entering into the competitive struggle, which must inevitably raise their standard of living. The assumption that, if ultra-conservative tendencies should continue to dominate the Chinese mind, the mere numbers of her able-bodied men would make China a formidable enemy in war, was also exposed. These views have been more than vindicated by recent events. China has been overwhelmingly defeated in war by a nation vastly inferior in population, and possibly in wealth, but possessing the qualities of energy and intellectual alertness characteristic of Western civilization. Subsequently the partition of China among European powers has begun. The proof has been overwhelming that no Western nation has anything

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to fear from the hordes of the East, unless they shall be organized and led by a first-class Western military power.

Herein lies the only real danger that threatens civilization, and with this M. Novicow does not directly deal. He does, however, treat the whole problem from the basis of fundamental principles which show clearly enough how we ought to regard the complications that actually will arise. With a clear understanding of economic principles, M. Novicow very thoroughly disposes of the supposed dangers of Chinese and negro competition. Modern industry has ceased to be a fact of muscle : it is now a fact of intelligence and nerve. Precisely the same defects which made China helpless in war will make her less and less formidable in industrial competition, as primitive methods of agriculture, manufacture and commerce are superseded by those methods which are conveniently designated by the phrase "capitalistic production."

Just what Europe has to fear, however, is a gigantic struggle between the antagonistic elements of the white race itself. If the war between the United States and Spain has revealed no other bit of human destiny, it has at least made this one fact perfectly clear. The so-called white race is not a race at all, but a number of races, some of which have energy, intelligence, the capacity for discipline and the ability to govern, and others of which have not. In the long run the dark races will be organized, governed, disciplined, made prosperous and — within the limits of their capacity — progressive, by energetic, capable races of the whites. In the meantime, however, other white races, misjudging their powers and mistaking their destiny, will attempt to share in the partition and control of Asia and Africa. The final struggle, therefore, will be, not between white and dark races, but between one group of white races and their dark-skinned subjects, on the one hand, and another group of white races and their dark-skinned subjects, on the other hand. Not to put too fine a point on it, the final struggle will be between the English-speaking peoples of the world and some other folk. When that struggle comes, let pessimists flee to the mountains ; for there is reason to believe that the English-speaking people of the world are well practiced in the four arts of salvation : invention, gunnery, social discipline and constitutional government.

F. H. GIDDINGS.

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The Life of Francis Place: 1771–1854. By GRAHAM WALLAS, M.A. London, Longmans, Green & Co., 1898. — 415 pp.

Francis Place was born in 1771 in a "sponging house," or private debtors' prison. His early life was passed amid indescribable squalor, and at the age of eighteen he became an independent journeyman breeches-worker. In the following year he married; and the description — largely based on Place's very full autobiography, still preserved in manuscript — of his experiences during the next five years is perhaps the most valuable, as it is certainly the most harrowing, portion of the book. Owing to a strike of journeyman tailors, in which he had taken a prominent part, Place lost his position and for a long time was unable to secure any other. For months he and his wife suffered the most terrible privations. They lived in a little garret room; they actually starved; they lost their child; and but for the indomitable will and energy of Place they would have lost their self-respect and all chances of success in the future. These sufferings Place never forgot; and when he later became a master, and attained what was then considered to be wealth, he determined to devote his whole life to the mitigation of such conditions.

From the very beginning Place was a great reader and a hard worker. He appreciated the fact that knowledge meant power, and was indefatigable in his efforts to secure such power. He soon came to the conclusion that the first step toward the economic improvement of the working classes lay in the direction of political reform; and by the close of the eighteenth century he was hand in glove with the Radical Independents. After Place retired from business, in 1816, he devoted his whole time to the democratic movement, and was in active correspondence with many of its leaders and with most of the economists of the day — among others, with Mill, Wakefield, Hodgskin and J. B. Say. His library at Charing Cross became the headquarters of English Radicalism, and in it the four great movements on which he prided himself were begun or directed. These were the abolition of the sinking fund, the repeal of the combination laws, the passage of the reform bill and the starting of the Chartist agitation. To give an account of these movements would be to write the history of England from 1825 to 1840.

In giving us an account of the life work of so useful a man Mr. Wallas has conferred a favor on students of the social history of that time.

EDWIN R. A. SELIGMAN.

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BOOK NOTES.

In the winter of 1895–96 Mr. Theodore Marburg published in *The Baltimore American* a series of thoughtful letters on "The Venezuelan Dispute," in which he opposed the Cleveland-Olney policy. In May, 1898, he published in the same journal another series of letters on "The War with Spain," in which he supported the policy of the present administration. He has reprinted the later series and one letter from the earlier under the caption *Political Papers* (Baltimore, John Murphy & Co., 1898. — 50 pp.). Mr. Marburg cites the usual historical precedents to justify our intervention in Cuba, and recognizes — what our senatorial publicists ignored — that these precedents justify joint intervention rather than intervention by a single power. His plea for the sole intervention of the United States in matters American is based on the peculiar position of our country in the Western hemisphere and is, as he himself recognizes, a corollary of the Monroe doctrine in its latest form. Substantially the same position is taken by Mr. Carman F. Randolph in the opening pages of his *Notes on the Foreign Policy of the United States Suggested by the War with Spain* (New York, The DeVinne Press, 1898.— 15 pp.); but as regards the outcome of our intervention in Cuba, Mr. Randolph's hopes are diametrically opposed to those of Mr. Marburg. While the latter believes that the annexation of Cuba is inevitable and thinks it not undesirable, Mr. Randolph pleads in our own interest for an independent Cuba, and insists that we must not be too critical about the excellence of its government. "The peace of a Spanish-American state of the best type," he says, "is not the peace of the United States" (p. 6). He is opposed to all projects of annexation, and makes an earnest argument against "imperialism." To the future historian who shall study the genesis of the American policy of the twentieth century these pamphlets will give a faithful picture of the conflicting views and aspirations of a critical period.

Mr. James C. Fernald's *The Spaniard in History* (New York, Funk & Wagnalls Co., 1898.— 144 pp.) is a work that appeals less strongly to the American intellect and the thirst for exact knowledge than to the American conscience and the desire for self-justification. Its tendency, as frankly set forth in the preface, is to show "that the Spaniard . . . is not one to be trusted with the control of a weak or subject race." The book is compiled from standard British and American works, and is fairly well made.

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In *The Eastern Question and a Suppressed Chapter of History* (Boston, Geo. H. Ellis, 1897. — 54 pp.), Mr. Stuart F. Weld sets forth, in an interesting but somewhat jerky way, the part played by Napoleon III in establishing a united and independent Roumania. Incidentally he undertakes to rehabilitate Napoleon III, of whose character and talents he thinks more highly than the majority of historians. The title of the pamphlet is misleading, for no part of Mr. Weld's narrative is drawn from archives or unpublished documents; all the facts he gives us have long been in print. What Mr. Weld means to indicate is that the topic of his treatise has been unduly neglected by popular writers.

Professor Loutchisky, of the University of Kiew, has during the past two or three years begun a conscientious and exhaustive investigation of the local records of France, with the aim of solving scientifically the question as to the extent and apportionment of small holdings before the Revolution and the precise results of the sale of the confiscated church lands after 1790. Hitherto, we have had to rely in this matter upon simple guesses or — what was worse — upon mere partisan declamation. Professor Loutchisky very properly devotes a considerable part of his little volume to the reprobation of those, including even De Tocqueville, who have written freely upon this subject without taking the trouble to consult the sources. In this preliminary study — *La petite propriété en France avant la Revolution et la vente des biens nationaux* (Paris, Champion, 1897. — 164 pp.) — the writer bases his conclusions upon the study of four widely separated typical departments: Pas-de-Calais, Côte-d'Or, Bouches de Rhône and Aisne. It appears that the proportion of land held by the peasant was considerably greater than is usually supposed and that, on the sale of the church lands, the peasant and artisan were not only given an opportunity to buy, but successfully competed with the speculators and acquired a large share of the property. It is needless to say that Professor Loutchisky's more extended work will be looked for with the greatest interest by all of those who are anxious to see dispelled the legends which have grown up about the Revolution.

The second volume of Prof. A. B. Hart's *American History Told by Contemporaries* (New York, The Macmillan Co., 1897. — 653 pp.), consists of sources selected to illustrate the period between 1689 and 1783. The development of colonial government, of life in the colonies and of intercolonial relations receives a good share of attention. Somewhat less than one-half the volume is devoted to the causes

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and history of the Revolution. The judgment shown in the selection of extracts is good, and the volume should prove as useful as its predecessor.

Mr. Sydney G. Fisher's *Evolution of the Constitution of the United States* (Philadelphia, J. B. Lippincott Co., 1897. — 398 pp.), is an attempt, by means of a comparative study of the colonial charters, the grants and concessions, the plans of union and the state constitutions of the revolutionary period, to trace the development on American soil of the principles embodied in the Federal Constitution. It is a reply to the theory that our institutions have resulted from a conscious imitation of those of England, and especially to the view of Douglas Campbell that they are of Dutch origin. The last chapter contains an elaborate criticism of Mr. Campbell's theory. The thought underlying Mr. Fisher's book is excellent, and must in the future lead to notable results. It will knit together the colonial and the national periods of our history in a way never yet accomplished. But Mr. Fisher has not satisfactorily treated the subject. His work is hasty and often inaccurate. He almost wholly omits reference to the institutions of the royal provinces. He jumbles all, or nearly all, the colonies together as outgrowths of the corporations, which certainly they were not. He will need to study the colonial period much more thoroughly and systematically than he has done before he can prove his thesis.

Messrs. Blackie & Son recently began the issue of an interesting series of volumes designed to present the history of England during the past sixty years in all its important phases. It embraces the great developments of the age in politics, economics, religion, industry, literature, science and art, and records the life work of its typical and influential men. Mr. J. Holland Rose is the well-qualified general editor of this "Victorian Era Series," and has himself written the first volume to be issued — *The Rise of Democracy* (London, 1897. — 252 pp.). The individual volumes will be written by specialists in the various fields of knowledge which contribute to the project. We may note, besides Mr. Rose's own excellent volume, *John Bright*, by Mr. C. A. Vince; *The Growth and Administration of the British Colonies*, by W. Greswell; *Charles Dickens*, by George Gissing; *The Free Trade Movement and its Results*, by G. Armitage Smith; *The Growth of London*, by G. Laurence Gomme.

Mr. D. J. Medley's excellent *Student's Manual of English Constitutional History* (Oxford, B. H. Blackwell, 1898. — 644 pp.) appears in revised and enlarged form. About sixty pages have been added

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to the book. Several of the chapters, particularly those on the land and its inhabitants, the executive, the legislature and the judiciary, have been thoroughly revised. The results of the investigations of Professor Maitland, which have appeared in the *History of English Law* and *Domesday Book and Beyond*, have also been incorporated into the book. In matter and form the author has sought to bring his very useful manual fully up to date.

A new selection of *Cases on American Constitutional Law*, by Carl Evans Boyd, Ph.D. (Chicago, Callaghan & Co., 1898.—678 pp.), may be commended to the ordinary student as a fair handbook. The volume includes many of the leading cases on our constitutional law; the selection is, on the whole, judicious; and the arrangement, which is topical, is intelligent from the historical as well as from the logical point of view. For the advanced student the collection is by no means so satisfactory as Thayer's; and from the historical point of view it is less interesting than Carson's *History of the Supreme Court of the United States*. The chief merit of Mr. Boyd's book is its convenience as a single volume of portable size.

That love of letters and the making of literature are not incompatible with success in the law is well illustrated in the case of Augustine Birrell, M.P. and Q.C.; and his little book on *The Duties and Liabilities of Trustees* (London, Macmillan & Co., 1896.—183 pp.) shows the advantages of the combination. Based on lectures delivered in the Inner Temple, the treatise is primarily meant for law students; but lay trustees will find it enlightening, and no one can fail to find it interesting. Incidentally Mr. Birrell shows what was the matter with chancery procedure in the days when Wesley and Dickens denounced it; and his discussion of the existing duties of British trustees as regards title deeds indicates the next step that should be taken in reforming the law of Great Britain.

Die Kompetenz der Religion, der Ethik, des Patriotismus, der Verfassung, Gesetzgebung, Justiz, Presse, der Vereine und der öffentlichen, nationalen und internationalen Meinung, mit besonderer Berücksichtigung der Frage der Beleidigungen und der Pressfreiheit is the title which Dr. Karl Walcker, *Privat-docent* of the political sciences at Leipzig, gives to a pamphlet of 76 pages (Leipzig, Arwed Strauch, 1898); and the contents are even more heterogeneous than the title suggests. The law of libel and the freedom of the press are apparently the subjects which Dr. Walcker started to write about; but the bulk of the pamphlet is devoted to criminal law in general, and the author, who is not a jurist, makes some very original suggestions.

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He thinks that fraudulent intention should be punished, even when the party deceived has suffered no damage (p. 41). He also thinks that it would be a good thing, whenever a civil or criminal case is decided, to file away a printed statement of facts, drawn up by the defeated or condemned party and approved or corrected by the court, and to select from these by lot, from time to time, a few cases not less than fifty years old for retrial, in order to show how far the judicial attitude has shifted in the interval (pp. 50 *et seq.*). A third suggestion (pp. 54–58) is that an "international legal protective association" be formed, with its headquarters at Berlin or elsewhere (Berlin preferred), to see that justice is done all over the world. The association is to be wholly unofficial, started by a few private gentlemen of great ability and high character and recruited by coöperation. It will denounce laws, ordinances and judgments of which it does not approve, and will apparently, whenever practical, decide important cases in advance of the court legally charged with the decision. It will not only protect oppressed innocence everywhere, but it will collect moneys due from delinquent foreign debtors. The establishment of this association is a question of time only; but it will hardly be set going before 1910, and perhaps not before 1925. Dr. Walcker is a reformer too little known outside of Saxony.

A valuable paper on *The Indeterminate Sentence*, by Levi L. Barbour, appears in the publications of the Michigan Political Science Association (Ann Arbor, 1898. — 27 pp.). The author gives the psychological and utilitarian reasons for substituting the indeterminate sentence for fixed terms of imprisonment. He also reviews American legislation on the subject and supports the dissenting opinion of Judge Grant in People *vs.* Cummings, 88 Mich. 249, which declared an indeterminate sentence act unconstitutional in the state of Michigan. Mr. Barbour's paper should be consulted by all who are interested in this question.

A new volume of the Berner Beiträge, edited by Professor Oncken, is a study by Dr. Christo Mutasoff, entitled *Zur Geschichte des Rechts auf Arbeit, mit besonderer Rücksicht auf Charles Fourier* (Bern, K. I. Wysz, 1897. — 142 pp.). The history of the *droit à travail*, or the right to demand work, has been written up during the past two years not only by Professor Menger in Vienna, but by a number of younger German scholars. This last contribution is welcome as affording a somewhat fuller account of the origin of the doctrine at the time of the French Revolution, as well as of its development by Fourier and his followers. Of especial interest is the account of the struggle in

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1848, in which some new excerpts are made from the *Moniteur*. The two chapters on the recent history of the practical movement in Germany and Switzerland also bring some fresh information.

The third and last volume of the miscellaneous essays by the well-known Belgian economist, Emile de Laveleye, has been published by Alcan (Paris, 1897.—418 pp.) under the title of *Essais et études, Troisième Série*. They include the chief articles published in the French and English periodicals from 1883 until the author's death in 1892. A few of these essays are on economic topics, such as those on natural laws, on economic crises and on the economic condition of the Congo State. Most of them, however, deal with questions of contemporary politics. M. de Laveleye was a man of remarkable abilities and of catholic spirit; but he wrote a little too easily and, if the truth must be told, often a little superficially. Whatever he said, however, he said well; and while the lasting value of these essays will perhaps not be great, they will always be interesting as containing the fine appreciations of an *homme d'esprit* on some of the fundamental political and social problems of the day.

Labor disputes in England have recently led to the formation of the "Free Labor Protection Association," whose object is to further the interests of employers, and incidentally of "scabs," against the labor unions. Although not written at the instigation of this association, the little book by Mr. W. J. Shaxby, entitled *The Case Against Picketing* (London, Liberty Review Publishing Co., 1897.—86 pp.), accepts, so far as picketing is concerned, the principles upon which the free-labor movement is founded. It gives abstracts of English and foreign laws and decisions, and presents arguments in favor of more stringent laws against conspiracy. The last chapter on trade-union tyranny seems to take us back to the discussions of forty and fifty years ago in England. Mr. Shaxby points to the United States as being "far in advance" of England in respect to the enforcement of conspiracy laws in labor disputes.

From the numerous occasional papers and addresses that deal with the public relations of railways, Mr. Harry Perry Robinson, of the *Railway Age*, Chicago, has undertaken to select, year by year, the more important, and to put these into the permanent form of an annual publication. The first volume of his *Year Book of Railway Literature* (427 pp.) covers the year 1897. The essays selected are, for the most part, by presidents and other officials of railway companies or railway associations, and may be said to represent the distinctly conservative view of the situation. Incidentally they con-

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tain much valuable practical information. The *Year Book* is to be welcomed as a distinct addition to our railway literature.

A similar point of view is to be found in *American Railway Management*, by Henry S. Haines (New York, John Wiley, 1897.— 368 pp.). Mr. Haines was formerly general manager of the Plant System, and has collected his addresses made before the American Railway Association and other organizations during the past ten years. Many of these addresses are of a popular nature; but some of them — especially those relating to questions of expenses and of cost of service — will be of interest to a wider circle of students.

All students interested in public finance will welcome the recent work by Mr. Frank Marshall Eastman on *Taxation for State Purposes in Pennsylvania* (Philadelphia, Kay & Brother, 1898.— 284 pp.). Mr. Eastman has been for a number of years general assistant in the department of the auditor-general, and has thus been able to get a good view of the practical, as well as the legal, aspects of the problem. The plan of the book is a good one. After giving an historical sketch of the general tax legislation, he takes up each separate tax, gives an accurate statement of the history of the legislation on that particular point, the provisions of the law now in force, extracts from the leading cases interpreting the law and, finally, comments of his own. In this way we get a complete survey of the whole situation. We also find additional chapters on local taxation, instructions to officers of administration and some succinct but well-considered hints to legislators. Mr. Eastman's book forms a very welcome complement to the somewhat similar work on the development in New York, published by Mr. Julian T. Davies in 1888. It is to be hoped that the plan may be followed in other states, so that we may finally have a really complete statement of the tax legislation in the various commonwealths.

In *Public Debts in Canada* (University of Toronto Studies: Economic Series, 1898. — 88 pp.) Mr. J. Roy Perry aims to set forth in clear outline the growth of the present Canadian debts — federal, provincial and municipal. The federal debt began at the time of union through the assumption of a considerable part of the existing provincial debt; and so much aid has since been given to various transportation agencies that the net indebtedness now stands at $253,074,927, making due allowance for investments in works regarded as productive. Provincial indebtedness amounts to $31,325,719 — also largely due to aid given to various transportation agencies. Quebec, in particular, has materially hampered herself by lavish aid

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to railroads. The section dealing with municipal indebtedness — in most cases incurred on account of local improvements — is less interesting, because of the lack of exact statistics. The public credit is good; in 1895 the interest on the public debt averaged 2.93 per cent, and the burden of interest indebtedness per capita was $1.80. Mr. Perry's essay bears evidence throughout of careful investigation, and affords to the American student the opportunity of comparing American and Canadian financial methods.

France has hitherto been unfortunate in its histories of economic theory, but that good work is being done by the adherents of the newer school is shown in the little volume by M. Souchon, Professor of the Faculty of Law at Lyons, entitled *Les Théories économiques dans la Grèce antique* (Paris, Larose, 1898.—205 pp.). M. Souchon has made good use of the secondary material in English, German and Italian. The chief criticism to be urged is that he, like most other writers, fails to bring out with sufficient clearness the essential dependence of the Greek theories on the economic conditions of production and distribution. We do, indeed, find some of the old platitudes about slavery; we also find a reference in one or two places to the views of Karl Bücher. But what should be made the very basis of the whole exposition is relegated to a very inferior place. The French suffer from the fact that about the only phrases they possess to distinguish between industrial stages are "*la petite industrie*" and "*la grande industrie.*" "*La grande industrie*" means not only our factory system, but a good deal besides; and the development from the *petite* to the *grande industrie*, which M. Souchon describes (p. 117) as having taken place in Greece, does not really clear up matters at all. The statement of Aristotle's views is also very inadequate. It is worthy of note, moreover, that nowhere do we find an exact description of what the Greeks really meant by πολιτικόν and οἰκονομικόν. There are a number of bad misprints, as on page 49, where we find κριτική, and on page 95, where we find χρητική instead of κτητική. Nevertheless, M. Souchon's book is the most convenient summary that we have of Greek economic ideas.

The impulse given to French economic investigation by such institutions as the *Musée Social* and the new Parisian School of Social Economics is reflected in the book by M. Albert Métin on *Le Socialisme en Angleterre* (Paris, Alcan, 1897.—309 pp.). M. Métin has made a thorough study of the various phases of the present socialistic movement in England. His historical introduction deals mainly with Owen; and he has very little to say about

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the Chartists. M. Métin maintains that the Christian Socialists have been of slight influence, and that the real impetus of the modern movement has come from Henry George. His account of the Land Nationalization Society, of the Social Democratic Federation and of the Fabians is perhaps not new to English readers; but in these matters, as well as in his account of the connection between socialism and trade-unionism, he is quite up to date.

Mr. Betham-Edwards, who a few years ago gave us a new edition of Arthur Young's *Travels in France*, has now edited the *Autobiography of Arthur Young, with Selections from his Correspondence* (London, Smith, Elder & Co., 1898. — 480 pp.). To the admirer of Arthur Young's works this autobiography will come as a painful surprise. The editor speaks of him in the introductory note as a strong character; but the general impression left by the memoir is one not of strength but of weakness. Arthur Young led an unhappy life, meeting with failure after failure, partly, perhaps, because he had an inordinately low opinion of himself. He was morbid, continually dissatisfied, and ended with religious melancholia. The burden of his whole life seems to be summed up in what he himself writes: "The same unremitting industry, the same anxiety, the same vain hopes, the same habitual disappointment; no happiness, nor anything like it." The book is a depressing one; and although it throws light incidentally upon agricultural conditions during the last decades of the eighteenth century, its chief interest lies in the insight it gives into some of the sadder aspects of human nature. It is a contribution to psychology rather than to political science.

The last two volumes of Traill's *Social England* treat of the period from 1714 to 1885 (New York, G. P. Putnam's Sons; London, Cassell & Co.; V, 1896, 636 pp.; VI, 1897, 700 pp.). In such a work every specialist is likely to think that his own field of study has been neglected, but in these volumes the student of economic history may surely find some cause for complaint. Thus, one searches in vain in volume V for any adequate (or adequately suggestive) treatment of that "domestic system" of industry which played so large a part in the industrial life of the eighteenth century. This omission, like some similar defects in the discussion of the early part of this century, is very likely due in part (judging from the scanty lists of authorities cited under the heading "Economic History") to the lack of published investigations of industrial conditions during that period. If so, we have an indication of how far in some respects the present work departs from our ideal social history. Nevertheless,

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the six portly volumes contain an immense amount of trustworthy information which would otherwise be much more difficult of access for the average reader. Especially useful are the well-selected lists of authorities.

M. Gustave Fagniez's *L'Économie sociale de la France sous Henri IV* (Paris, Hachette, 1897) is a work of the most thorough and painstaking research, bringing together every scrap of evidence, from the legislation and literature of the reign, in any way bearing on agriculture, manufacture or trade. No student of the subject can afford to disregard it. But he will soon find that he must treat it as a repertory of materials of very unequal value, from which he has himself to pick and choose, and which he has himself to arrange. M. Fagniez seems to accept any definite statement or judgment that he comes across, without any allowance for the bias of the witness or his possible ignorance. Statements clearly inconsistent are composedly set down within a few pages or even a few lines of one another, with no real effort to harmonize them. There is throughout a want of the sense of proportion; and M. Fagniez altogether fails to make either the large industries of the country or the main external traits of the life of the several provinces stand out with any distinctness. When we are a little tired of the German schematizing, with its "stages" and "systems," it will do us good to turn to an uncritical and chaotic book like this, which fails for the lack of those very principles of discrimination.

The younger school of Belgian writers on history and political science have been doing admirable work in many ways during the past few years. One of the most serious and detailed monographs is that by Professor Van der Linden, entitled *Les Gildes marchandes dans les Pays-bas au Moyen Age* (Gand, Librairie Clemm, H. Englecke successeur, 1896.— 126 pp.). Although devoted primarily to the mediæval gild merchant; Professor Van der Linden incidentally discusses the relations of this gild to the craft gild. He plants himself squarely on economic ground and gives a thoroughgoing criticism of the opposed German views, as represented, among others, by Van Doren. His conclusions are in almost all cases in thorough agreement with those reached by M. Pirenne on the origin of mediæval urban institutions. The numerous notes contain a vast amount of material taken from the local charters; and a series of appendices give a number of gild statutes, municipal regulations and other analogous material.

Dr. Naum Reichesberg, *Privat-docent* at the University of Berne,

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has followed up his writings on statistics by a monograph entitled *Der berühmte Statistiker, Adolf Quételet* (Berne, Stämpfli, 1896.— 142 pp.). Although we have various essays on different aspects of Quételet's work, this is the first monograph to give a comprehensive view, not only of the great statistician's life, but also of the chief phases of his work. Dr. Reichesberg treats of him in turn as an astronomer, a mathematician, a physicist, a sociologist and a statistician. He looks upon Comte and Quételet as the two real founders of sociology — the one from the abstract, the other from the statistical side. Admirers of Quételet will like this study.

From the Clarendon Press we have a new edition of Sir George Cornewall Lewis's *Use and Abuse of Political Terms*, with notes and introduction by Thomas Raleigh (Oxford, 1898). The cheap but excellent form of the volume ought to enable a much wider range of students to become acquainted with this suggestive essay than has hitherto been the case. Mr. Raleigh's "introduction" is scientifically dry, and is not likely to inspire in the reader any excessive enthusiasm for Lewis. The "notes" are meagre — which, in a work that speaks so well for itself, is commendable.

Prof. George Harris's *Inequality and Progress* (Boston and New York, Houghton, Mifflin & Co., 1897. — 164 pp.) contains little that is new, but presents many old truths in attractive form. The keynote of the book is struck very early in these words: "The hope of progress lies in the leadership of superior persons." In developing this thesis the author has certainly improved little on the work of such predecessors as Sumner and Mallock; though it may perhaps be said that he has brought the subject down to date by including the testimony of Ammon and Lapouge, whose conclusions have as yet scarcely found their way into books of this semi-popular character. The tone of the book is optimistic; and conciseness of statement often leads to an appearance of dogmatism.

Die sociologische Erkenntnis (*Positive Philosophie des socialen Lebens*), von Gustav Ratzenhofer (Leipzig, F. A. Brockhaus, 1898. — xii, 327 pp.), presents, in a more compact and in many respects improved statement, and with much new analysis, the system of social philosophy more elaborately set forth in Dr. Ratzenhofer's *Wesen und Weg der Politik*. In character the work approaches a systematic treatise on sociology. Its chief subdivisions are: The Character of Sociological Knowledge; The Psychological Grounds of Sociology; The Grounds of Sociology and Natural Science; The Social Process in the Human Race; The Fundamental Principles of Sociology;

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The Social Will and Energy; and Social Development in the Light of Sociological Knowledge. Dr. Ratzenhofer seems not to be acquainted with all the French and English literature on the subject; but his volume is thoughtful and suggestive, and must be counted among the best of German works on sociology.

L'Année Sociologique, published under the direction of Dr. Émile Durkheim, Professor at the University of Bordeaux (Paris, Félix Alcan, 1898. — vii, 563 pp.), will be an annual summary of the most important sociological facts and ideas that have been put forth during the twelve months, in works on history, ethnography and statistics. The amount of such material is enormous, but it is so widely scattered and often so disguised that it is practically inaccessible to a majority of sociological students. Carefully selected and intelligently condensed, as there is every reason to believe that it will be under the editorship of M. Durkheim, this summary will be of great value. The scope of the project includes reviews of all the important sociological works of the year. In this first volume nearly 300 works are mentioned, and about 150 receive extended notice. The *Année* will also publish original memoirs. The present volume contains two: "La Prohibition de l'inceste et ses origines," by M. Durkheim; and "Comment les forms sociales se maintiennent," by Prof. Georg Simmel, of the University of Berlin.

The fourth volume of the *Annales de L'Institut International de Sociologie*, published under the direction of René Worms, General Secretary (Paris, Giard et Brière, 1898. — 584 pp.), contains the following papers read at the Third Congress, at Paris, in 1897: "La Définition de la sociologie," L. Stein; "Le Cerveau individuel et le cerveau social," R. Garofalo; "L'Économie de la douleur et l'économie du plaisir," Lester Ward; "L'Importance sociologique des études économiques sur les colonies," Achille Loria; "La Théorie organique des sociétés," J. Novicow, P. de Lilienfeld, G. Tarde, C. de Krauz, L. Stein, René Worms, S. R. Steinmetz, C. N. Starcke, R. Garofalo, Ch. Limousin, N. Karéiev, A. Espinas; "Les Lois de l'évolution politique," C. N. Starcke; "Les Sélections corollaires," S. R. Steinmetz; "L'Évolution de l'idée de monarchie," Raoul de la Gasserie; "La Mission de la justice criminelle dans l'avenir," Pedro Dorado; "L'Obligation sociale de l'assistance," Alfred Lambert; "L'Expérimentation en sociologie," René Worms; "La Science comme fonction de la société," Fr. Giner de los Rios.

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